

HOME NEWS

Councils must reduce staff and give significantly lower pay rises next year, Chancellor says

From Christopher Warner

Manchester. Pay rises for local authority staff in the coming year must be significantly lower than this year, Sir Geoffrey Howe, Chancellor of the Exchequer, said yesterday.

Addressing a meeting of the Association of Metropolitan Authorities, he also urged councils to reduce their staff more quickly in order to cut their expenditures. At a press conference later, he declined to put a figure on the pay increases that he expects for and contented himself with repeating that they must be significantly lower than this year's.

The Chancellor made it plain that neither he nor Mr Michael Heseltine, Secretary of State for the Environment, would back any council over-riding.

Emphasising the need to control inflation by reducing public expenditure, Sir Geoffrey said that the size of the local government sector meant it was of crucial importance to the economy, and could not escape the disciplines applying to central government.

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He also referred to the Government's call for revised budgets for this year. The returns were in and the Government was about to decide their next moves. "I can tell you that unless we are convinced that the planned current expenditure excess will not materialise

set on that must be consistent with what the market and the taxpayer can afford."

Sir Geoffrey said that the Treasury's proposals for local authorities' pay rises had added £150m to local authority pay bills, and over the past two years local authorities' costs had risen by as much as 2 per cent more than the national rate of inflation.

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Referring to manpower, Sir Geoffrey said that the substantial proportion of the 2 per cent reduction in spending which the Government is asking councils to make next year must come from reductions in staff. During the Government's first year local authority manpower had been reduced by a third of one per cent.

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The Duke of Edinburgh taking a four-in-hand through Windsor yesterday at the head of a parade marking the opening of the 1980 World Driving Championships.

Jail for battering man's hands so he fell 40ft to death

Paul Stevens, aged 22, was sentenced at the Central Criminal Court yesterday to eight years jail for what Mr Justice Croom described as the most wicked killing imaginable.

Mr Stevens, of Havelock Close, White City Estate, London, pleaded guilty to causing

the manslaughter of Alan Shelton, aged 35, by throwing him over the fourth-floor balcony of a block of flats and then, when he got hand holds on the coping, battering his hands until he fell more than 40 feet to his death.

The judge said: "A more cruel, callous and prolonged piece of combat it is hard to imagine."

Mr Stevens pleaded guilty yesterday to manslaughter after a jury failed despite a four-hour retirement, on Wednesday, to reach a verdict on a charge of either murder or manslaughter.

The judge said he was prepared to deal with the matter on the basis of a plea of guilty to manslaughter.

He accepted Mr Stevens's plea of not guilty to murder, and directed that a formal verdict of not guilty be recorded on that charge.

Referendum on Welsh TV rejected by minister

By Michael Hatfield

Political Reporter

Mr William Whitelaw, Home Secretary, has rejected a proposal that a referendum or poll should be held on the dispute over the Welsh language television channel.

The Home Secretary told Mr Alan Williams, Opposition spokesman on Welsh Affairs, who made the proposal, that he had considered the matter carefully but he did not think a referendum or poll would be appropriate.

Mr Williams said yesterday: "The Government has clearly slammed this door shut. It has now left itself only two options, either to back down and fulfil the original Tory promise, or to share the responsibility for unleashing mad men of violence in Wales."

In another development, Lord Cledwyn of Penrhos, a former Labour Secretary of State for Wales, said that with the support of other Welsh peers he would seek to move an amendment to the Broadcasting Bill when the House of Lords returns on October 6, the day Mr Gwynfor Evans, leader of the Welsh nationalists, is due to start his hunger strike for the all-Welsh television channel.

The amendment, he said, would have the effect, if approved, of turning the Government back to its manifesto proposal to put all Welsh programmes on the channel when it opens in 1982.

New team will seek Civil Service cuts

By Peter Hennessey

The Government's drive to reduce the size of the Civil Service will be led by a new team on Wednesday, as a group of judges in the upper ranks of the Civil Service Department (CSD).

Mr John Pestell is to replace Mr Clifford Bamfield, who is taking over as under-secretary responsible for leading Whitehall's attempt to reduce the number of officials in the Civil Service from 732,000 to 600,000 by April 1984, which would achieve an estimated saving of £575m.

During Mr Bamfield's tenure as head of the CSD's manpower, the total has shrunk 700,000, leaving Mr Pestell to head a further 70,000 cuts if the Prime Minister's target is to be attained.

Mr Pestell is no stranger to a task of this kind. He led the succession of manpower economy plans for the Civil Service in 1975-76 when he led the CSD's cost of civil government review.

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Two solicitors ordered to be struck off

Two solicitors accused of unbecoming conduct were ordered by the Solicitors' Disciplinary Tribunal yesterday to be struck off.

Mr Malcolm Linger, of Chelwood Drive, Leeds, was said to have misappropriated clients' money. An investigating accountant had found that there was a liability to five clients of at least £7,000.

It was stated that Mr Linger's office closed and he had no intention of returning to practice. He has 14 days in which to appeal.

In a separate case the tribunal made a striking-off order against Mr Graham Stanley, of 11, Eddle Crescent, Epsom, Surrey. He had been sentenced at the Central Criminal Court in March last year to 18 months' jail for using a forged lease in connection with land. The order was suspended to allow time for him to appeal.

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Dry rot threat to hall

Pugin fame

Our Correspondent

Scarsdale Hall, near Ormskirk, was extensively remodelled by the Victorian architect Augustus Pugin, and is regarded as one of his earliest and important works.

The hall, which houses an ancient school, is thought to be in danger of falling into ruin. It has been used for many of the internal walls of the hall.

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en years for Iraqi who had TNT in shaving cream

Central Criminal Court

Mr al-Jumayy, aged 28, an Iraqi student, was sentenced to 10 years' imprisonment for possessing TNT with intent to cause damage in Britain or elsewhere.

The jury unanimously convicted Mr al-Jumayy of possessing TNT with intent to cause damage in Britain or elsewhere.

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TO MANAGING DIRECTORS:

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So we invite you to ask your executives to complete this questionnaire and discover just how and where the Royal Mail could help you be more cost-efficient and competitive.

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Postcodes in business ☐ Please ask my Postal Service Representative to call ☐

Do we have multi-package consignments e.g. for High Street retailers? ☐ YES ☐ NO
If yes, are we using DIRECT BAG, which could save us time and money? ☐ YES ☐ NO

Comment _____

Do we need widely available door-to-door distribution on a local or national basis? ☐ YES ☐ NO
If yes, are we using HOUSEHOLD DELIVERY SERVICE, which can put our sales messages through letter-boxes along with the morning post? ☐ YES ☐ NO

Should we test the cost-effectiveness of direct mail advertising? ☐ YES ☐ NO
If yes, have we asked about the special 'newcomers' introductory offer by which we can send the first 1,000 items free? ☐ YES ☐ NO

Comment _____

Are we satisfied with our current reference systems, e.g. for sales, vehicles or research data? ☐ YES ☐ NO
If no, have we considered using the POSTCODES system, which provides a ready-made and comprehensive reference system? ☐ YES ☐ NO

Comment _____

Do we need to send packages at top speed? ☐ YES ☐ NO
If yes, are we using DATAPOST for overnight delivery... EXPRESSPOST to collect and give same-day delivery to selected areas... or NIGHTRIDER for overnight delivery within Greater London? ☐ YES ☐ NO

Do we need fast delivery abroad? ☐ YES ☐ NO
If yes, are we using INTERNATIONAL DATAPOST, which swiftly handles extra-urgent overseas messages and packages to a growing number of foreign countries? ☐ YES ☐ NO

Do we send printed material to Europe in any quantities? ☐ YES ☐ NO
If yes, have we tried BULK AIR MAIL, which flies to Europe at special low prices? ☐ YES ☐ NO

Comment _____

Royal Mail
Get the most from your post

Transkei ex-minister who died in prison fell into a trap, black homeland's leader says

He was detained together with Brigadier Elliot Cwele, the former Commissioner of Police. On Tuesday the Transkei Supreme Court turned down an application by Brigadier Cwele that he should be either charged or released.

The court was told in affidavits by other police officers that it was believed that a plot to overthrow the Transkei Government still existed and that Brigadier Cwele might be involved.

SAfrica receives Bloemfontein Appeal Court today commuted a death sentence passed last year on James Daniel Masinga. Masinga was arrested in 1978 on a driving offence and subsequently accused of belonging to the banned African National Congress (Agence France-Presse reports). The court reduced the sentence to 20 years.

Mr Masinga's trial and death sentence became a big issue in South Africa.

Condemned in November for high treason by the Supreme Court in Natal, Mr Masinga now has a 20-year sentence. He and other Africans by police who found signs in their vehicles.

President's boycott of first debate attacked

From David Crosse
Washington, Sept. 11.

In spite of continuing criticism, President Carter appears determined to go ahead with his decision to boycott the first of this year's presidential election campaign debates.

In a brief chat with reporters in the Oval Office of the White House, the President said his campaign staff were still working on the possibility of a direct confrontation with Mr. Ford, his Republican opponent, rather than the three-way discussion to include Mr. John Anderson, the independent candidate, which he has rejected. "We hope it will be successful," Mr. Carter added.

The President's intention in boycotting the first debate being organized by the League of Women Voters in Baltimore on September 21 "has come under heavy attack from the feminist press," he said.

"I am sorry and I am angry and the American people will also be," Mr. Reagan said during a campaign trip to the industrial North-East.

Sen. Barry Goldwater (R-Ken.) and Sen. Edward Kennedy (D-Ct.) are the only Democratic opponents during the pri-

Dissidents detained by police in Prague

Vladivostok, Sept. 11.—Several Czechoslovak dissidents, including two former ministers in the cabinet of Prague socialist regime, were released from detention at Mr. Alexander Dubcek's request after having been detained after sending a letter to sparking Polish workers' emigre sources reported today.

Eleven dissidents including Mr. Jiri Hajek, a former foreign minister and Mr. Vladimir Kadlec, a former foreign minister, were arrested on Tuesday.

The group also included Marie Brodackova, a spokeswoman for the Charter 77 human rights movement, Rudolf Slansky, son of the former Czechoslovak communist leader, who was executed in the 1950 Stalinist purges, and Bohumil Simen, a former head of the Prague Communist Party and Mr. Dubcek's right-hand man. The release of the group was reported by Mr. Slansky, who was released after 24 hours, but the others were still in detention.

The group had sent a letter to Polish strikers in Gdansk at the end of August and had urged them to keep on striking for a larger role for President Gustav Husak on the forthcoming European security review conference.

You can't blast him out of the Rose Garden," Mr. Reagan added.

Mr. Carter's attitude has also irritated the League of Women Voters. After a day of fruitless negotiations with the representatives of the three candidates yesterday, Mrs. Ruth Hinefield, the president of the organization, said there would probably be an open chair in Baltimore on September 21 to honor Mrs. M. J. Carter.

During the discussions, the league offered a series of alternatives for the three presidential debates it is expected to stage. They included a suggestion for a series of one-to-one debates among the three candidates with the first debate being held in New York City, moderated by Mr. For the President to appear in a debate with Mr. Reagan immediately after the one between Mr. Reagan and Mr. Anderson.

Both of these formats were accepted by the "League of Women Voters," Mr. Anderson and Mr. Anderson, but not to the President's reelection workers. They insisted that the first debate must be between the President and his Republican challenger.

As Mr. Carter himself put it in a speech last week: "I don't want to see a series of one-to-one debates as we have in many debates as we can

President Brezhnev (left) greets Mr Jagielski before the start of their talks.

Polish leader reassures Moscow

Moscow, Sept. 11.—Mr. Mieczyslaw Jagielski, the Polish Deputy Prime Minister, met President Brezhnev today for the first time. He is believed to have covered the political developments in Poland after the recent wave of strikes.

State said that the two leaders discussed "questions of further consolidation and development of friendly relations between Poland and the Soviet Union" and added that the talks passed "in a warm and friendly atmosphere."

Jagielski, 56, is one of the Soviet Union's first visits by a Polish leader since the armistice which resulted in major political and economic concessions to the Warsaw Pact countries by including the erstwhile leader of

these various independent of party control.

Mr. Jagielski, little doubt, that the way to reassure President Brezhnev that the concessions would not undermine the dominance of the Communist Party in Polish society.

Yesterday, Mr. Jagielski met with Mr. Michaliniak, the senior Soviet ideologist. According to the Polish press, the two men "embodied opinions on questions of mutual interests," a phrase which, in official parlance, suggests "some degree of ideological agreement."

The Polish delegation also met with Soviet economists and managers, made a check for the first time on the country's foreign reserves, and proposed some technical cooperation projects. Some of the projects are aimed at increasing

Poland's economic recovery after the Polish Government's recent elections has been so strong that it is estimated that the country has lost just more than \$1,000m (about £400m) as a result of the election strikes.

Students in Warsaw that industrial and professional groups are increasing their efforts to form free trade unions will probably make the most impact on the government, says a survey. Until now intellectuals and professional groups have played a minor role in this year's summer protest movement.

Students' groups were also encouraged by arguments of a need for economic reform, but they would probably view intellectuals' demands for an easing of the government's economic and political programme, and a transition to socialism, as a betrayal.

The dissidents were arrested under a provision of the criminal code dealing with attacks on the country's interests abroad. The arrests were made outside Mr Slansky's flat as the group was leaving.

The sources also reported that an unknown number of Charter 77 members were detained yesterday, but did not know the reason for their arrest.

Among them was Jiri Nemec, a former New York Times correspondent who is serving a two and a half year suspended sentence on subversion charges last October.

Reuter and Agence France Presse.

Hanoi frees Chinese

Hanoi, Sept. 11—Seventeen Chinese detained in Vietnam for illegal entry will be released to the Peking authorities.

Liss Claire Wilson, the British student tortured by Chilean secret police, demonstrates in Santiago one of the methods used to maltreat

US will take third candidate seriously if polls show him in the running

Mr Anderson becomes danger to Carter camp

from Patrick Brogan.
Washington Sept 11

Things are looking up for Mr. Nathan Anderson. It still requires a leap of faith to imagine him winning the election but his popularity, as measured in the opinion polls, is rising again and Mr. Carter and Mr. Reagan are doing their best to help him.

In administrative matters he is doing very well. He will be in the ballot in at least one state and he has been making every effort to keep him off the Georgia ballot (but not much else). The Federal Elections Commission has decided that he will be a eligible for the 5 percent of the win in November and his campaign has become quite well organized.

Much more important, the League of Woman Voters has formally invited him to take part in the debates between the candidates for the House of Representatives organizing. The first will be held in Baltimore on September 11. Mr Carter has decided to miss it and it may be the single most important decision of the campaign.

May 5 at the annual meeting of the League in Washington. Mr. Carter was asked if he would "give your promise to us today, in partic-

rate in the league-sponsored presidential debate this fall, if you are the nominees of the Democratic Party. He Replied: "Yes, I will be glad to participate this fall. If I am the nominee, it will be a great pleasure to be the nominee side to debate."

He has decided to break his promise because of Mr. Anderson. There can be no doubt that Mr. Anderson will take more votes from Mr. Carter than Mr. Reagan. He could well cost

US Elections

the President New York, Ohio, Pennsylvania, any other of three or four swing states—and the election.

The President has calculated that avoiding a debate will be forgotten by November 2. Accusing Mr. Anderson to the debates would guarantee that he would be taken seriously, could get him 5 or 10 per cent in the big industrial states, and might cause Mr. Carter's defeat. Mr. Carter promised in 1976 that he would never tie to the American people. He promised a government as honest and compassionate as the American

people. In a television interview the other day, Mr. Richard Nixon, the former President, said, "admirably that Mr. Carter and his team were playing hard-ball politics," just the way you would expect Mr. Reagan who is running very gentlemanly campaign. Perhaps the President is right and the electorate will forget. Mr. Anderson, Mr. Reagan and Mr. Anderson will join in a chorus of "three networks on September 21." In the meantime, Mr. Carter will do everything he can think of to shift the spotlight away from Baltimore and to the White House.

Going 10 or 20% percent of the vote in New York, or anywhere, will not win Mr. Anderson a single electoral vote. He is in the same position as the Liberal Party in Britain. He needs to lose.

Mr. Barker to find a campaign theme which might lead really large numbers of people to decide that he ought to be President. His staff has put out a large election manifesto, a week long, when it was certain that no one was going to read the papers, even if the manifesto was properly reported.

Furthermore, as the Washington Post has reported, the manifesto contained some sensible suggestions for helping the car industry. But when Mr. Anderson started his

campaign in Detroit, with a news conference, instead of publicizing these plans, he spent all his time answering questions about the debates.

In spite of these failings, Mr. Carter has a lot to be thankful for. His poll picture is now pushing him up towards 20 per cent again, with Mr. Carter at 28 per cent, Mr. Reagan neck-and-neck at about 28 per cent. Mr. Anderson hopes that he will do so well in the debate with Mr. Reagan, with or without Mr. Carter, that he will push up his rating further.

This obsession with polls, which have proved most unreliable this year, is more sensible for Mr. Anderson than for the others. If he loses, he will be a long way from the other two, the whole country will suddenly take him seriously. The only way he can manage that trick is with the help of Mr. Gallup, Mr. Harris and Mr. Harris.

President Carter tried to kill him off quickly by refusing to debate with him and by stopping him getting on the ballot in the states. Both techniques failed. Mr. Anderson will still have to live with the result.

Meanwhile, Mr. Reagan has only to sit back and refrain from saying anything silly in the certain knowledge that he will come again to be the President when the polls are tabulated after the debate. It will do his campaign a world of good, after a shaky start.

From Dossa Trevisan
Warsaw, Sept 11
The queues on the staircase
at 42 Hoza Street, while volun-

new party secretary, has spoken to party officials in the main strike centres, but he has not yet met the workers addressed the nation.

the official Polish unions.

Scientific workers, engineers and teachers yesterday set up their own independent unions in the city of Lodz. The enrolment is rapid and the old communist-controlled unions have practically ceased to exist.

In the Wroclaw region more than a million people are said to have made the move. At the same time, in the Katowice area, where the movement for independent unions started four years ago, 80 per cent of the 20,000 workers have quit the old unions and chosen the independent ones.

All across Poland the exodus from the official unions has assumed vast proportions as the people become more and more aware of their power, even though they did not sue for help to yield it.

It was against this background that Mr. Jankowski, head of the communist-controlled Central Council of Polish Trade Unions, took the Union press to explain the position of his organization.

He argued that the trade union movements could never only co-exist but might eventually forge a confederation. That was the only way the communist-controlled unions, he said, were about to undergo profound changes and he pointed to a draft law which would enable his unions to act autonomously on behalf of the workers.

He objected to the term "official" being used to describe his unions. Since the signing of the Yalta agreement the independent unions have

official unions. "You pull one out of the whole thing, and you're in trouble. In Poland everything is in flux," Mr. Stanislaw Kania, the new party secretary, has spoken to party officials in the two-mile strike tented, but he has not yet met the workers for the first time. "I will see them," his speeches have "been read out" by television and radio announcers, but the Poles have still to hear his voice.

The new situation has had a demoralizing effect on the party and the three million members. The alienation between the party and society which was demonstrated by the strikes is also reflected within the party itself whose rank and file have for some time been the target for criticism from the leadership. The pressures from below are strong.

Mr Kania obviously has to restore the communication between the leadership and the base as the first priority.

His speech, which appeared in weekly *Polityka* makes it clear that the majority of people regard the setting up of independent unions as the most important result to emerge from the new elections.

Eighty-three per cent of those questioned blamed the policy of the regime for the current US restraint plan. On at least two occasions during the recent Polish crisis, the United States urged the Soviet Union privately not to interfere in the affairs of that country (David Cross writes from Washington).

At the same time, the State Department spokesman and Washington had urged that "restraint was necessary by all outside parties and that prohibition should be observed in order to be resolved by the Polish people and the Polish authorities."

The American Administration's views were conveyed to

the Foreign

By David Spaulter
Our Diplomatic Correspondent

A running battle is developing between the Foreign Office and the magazine *Private Eye* over the circumstances of the death of John W. May, a British naval attaché in Madrid, a British nurse, White Springs, Epsom, reported, in three successive issues, details of the case alleging foul play, the Foreign Office has denied the allegations and has stated that the case is "undergoing investigation."

"The Foreign Office said yesterday that two British officers, who had come back on London last week to cooperate with the police in their inquiries into the case, would be returning to their own country."

They are Mr. Gordon Kirby, the Vice Consul in Eddah, and Mr. Michael Seamer, a British secretary on the administrative staff of the embassy.

The case began at a party at the flat of a British surgeon, Dr. John Smith, in the house of Richard Acker, at the corner of which Miss Smith and a Dutch sea captain, Mr. Johannes Grijns, both died. Their bodies were found 70 ft. below the balcony of the flat.

Mr. Rian Smith, John's father, was not satisfied with the explanation of his daughter's death from the flat and believes that she was murdered.

Mr. Smith, a former policeman in the South Sea Islands, has refused to pursue his own inquiries, which led to the return of his daughter's body to this country, where a post-mortem examination was conducted at a local mortuary.

The Deputy Coroner reported that the examination showed Miss Smith had fallen from the death of "Any allegation that she

Office

death was reported, returned to London last week.

The police have also interviewed Dr and Mrs Arnet, who have stated that they have been detained from prison at Saudi Arabia.

Mrs Penny Arnet had been sentenced to 30 lashes by a Jeddah court for serving alcohol at the party, and Dr Arnet, a doctor, who was held for months of a one-year jail sentence for the same offence, was sentenced to 30 lashes.

They were granted clemency by King Khalid earlier this year, following the improvement in diplomatic relations between Britain and Saudi Arabia.

In late August 20 issue Private Eye made allegation that Miss Smith had been raped before she met her deceased partner, and that her death was a diplomatic cover-up thrown over the balcony. I further claimed that Mr Kitch, the Vice Consul to whom the death was reported, was involved with Miss Arnet.

The Foreign Office strongly denied a number of allegations about its role and the conduct of consular officials in Jeddah as well as said, that Mr Kitch had never met Miss Arnet, and that he was not at the party. It added: "There is no cover-up and express its fullest confidence in Mr Kitch in particular."

It later issued a statement regarding the case, in which it repeated allegations of irregularities in handling the case notably in regard to Mr Ott, whom it claims was killed because he was a witness to the rape of Miss Smith, at a party.

The Foreign Office responded by confirming its previous statement and said it had

Communist chief seized on street

y Caroline Moorehead
The 69-year-old president of the Paraguayan Communist Party, Señor Amrónico Maidana, is thought to have been kidnapped on a street in Buenos Aires on August 27. The Paraguay Committee for Human Rights believes that he was taken in a joint operation by Argentine and Paraguayan police. They say his life is now in danger.

Demand for legislation to fight Turkish terror

Continued from page 1

and a ruthless political vendetta in the past.

Anders and Gustav are mentioned on the list, with 23 dead each during the same period.

Most observers fear that from students' riots to political suicide, the assassination of parliament members and the destruction of political rivals, terrorism will now take on ever greater proportions. The memories of mass killings at Gordin and Kabramanjar are still fresh.

A small indication of what might happen came in during a night session at the cinema, port of Agaña.

There, too, terrorists, he believed, to be right, opened fire with automatic weapons on crowds in front of a cinema where a film with a leftist message was playing. Four people in the ticket queue were killed, one of them a 10-year-old boy, and nine were badly wounded.

Millions of 'Dey Yoi' demonstrators, the shopkeepers of Kizily in Nakhichevan with hoobys, are now denouncing the commander of the Ordub province of the Soviet military prison in Ankara. They did the same a

Attached to the banners were small barrels of explosives designed to be picked up if touched by unfriendly hands. The apparent helplessness of the police to these sub activities is a source of worry for the Government.

The security commission set up under Mr. Orhan Eren, the Interior Minister, said today that the "majority of the security forces" were essential if results were to be obtained in the fight against terrorism.

The commission called for new legislation to strengthen the government's hand against political violence.

"The speed and efficiency of the merciless fight against anarchy, terror, sectarianism and destruction must be increased," it said. "The forces must be ruthless and shown to the assassins."

The commission came up with an interesting statistic: "Of the 21,000 people arrested since the proclamation of martial law in Turkey in December 1978, 53.8 per cent are between the ages of 15 and 20, and 33.1 per cent between the ages of 20 and 25."

Carrington visits to Japan and China arranged

By Our Diplomatic Correspondent

Lord Carrington, the Foreign Secretary, is to visit Hongkong, Japan and China between September 25 and October 6, after attending the United Nations General Assembly from September 22-25, the Foreign Office announced yesterday.

The visit to Japan will enable Lord Carrington to meet Mr. Masuyoshi Ito, the new Japanese Foreign Minister, for the first time, and his Japanese counterpart.

During the Iranian and Afghanistan crises, Japanese foreign policy has moved noticeably closer towards the European Community, and the extremely unsettled international outlook will be the focus of the discussions.

Lord Carrington's visit to Peking is at the invitation of the Foreign Minister, Mr. Huazhong, a appointed Deputy Prime Minister. No agenda has been fixed for the talks, but Afghanistan, South-East Asia and the Middle East are expected to predominate.

Among bilateral issues, Hongkong and Macao will be

These private messages, which were conveyed during general discussions of United States

machinery continues to function but its future is obviously uncertain.

"It is like a thread," a Canadian intellectual said, describing the exodus from the north.

Setback for

From John Best
Ottawa, Sept. 11.

Mr. Pierre Trudeau, the Canadian Prime Minister, has suffered a setback in his single-minded pursuit of a renewed Canadian constitution.

Only three out of 10 provincial premiers yesterday supported the Prime Minister's proposal to transfer a human rights charter to the constitution. The three—Mr. Richard Hatfield, of New Brunswick, Mr. Brian Topp, of Newfoundland, and Mr. William Davis, of Ontario—were so highly qualified in their support that the Prime Minister ended up looking almost completely isolated.

"The outcome of the debate on the third day of a crucial week's conference of Canadian premiers," Mr. Trudeau said, "has been a setback."

public relations, echoed the "divisive position" taken by President Carter and his foreign policy advisers. They insisted that it would be wrong to take sides during the strikes.

Mr. Trudeau

told a reporter when the sessions resumed today.

The Prime Minister has set his heart on a package of measures involving the repeal of the British North America Act, Canada's constitution; from Westminster, establishing a formula for amending it in Canada; and entrenching in it a charter of rights including fundamental language and economic freedoms.

He has hinted many times that he will act on his own if he cannot get the concurrence of the provinces, and today there was speculation that yesterday's defeat might harden his intention.

Provincial opposition to an entrenchment centres on the objection that it would take responsibility for human rights away from provincial legislatures and vest it in the courts.

Interview people in this country who might be able to answer the question: Why did the Foreign Office select a man who had been discredited with the case against Miss Smibir's husband?

IN OVER CON

pour out in a brief and impassioned speech after the debate concluded. When it came to supporting special rights in a constitution, the provinces were all in favour. "But suddenly when we get to protecting the fundamental rights of citizens, we say: 'Don't put it in the constitution, it's too difficult.'"

"I'm a little bit sad that 10 years from now people will say: 'They couldn't do it in their day.'"

Today, Mr. René Lévesque, Premier of Quebec, categorically rejected Mr. Trudeau's plan for basing home Canada's constitution on the rights of the "people of the provinces per se." But he was effective at this time in the absence of an overall agreement to consecrate and crown a new Canadian federalism, would be a "neutral" and "hollow"

... formidable one. I will not comment, so the calmer inquiry from Les-
bans will say that things will
should have been done long
ago are now moving at last.

stitution

false and misleading "social
ism."

It would also be dangerous
blatancy. Mr. Lévesque said
the old frustrations in his
dominantly French-speak-
ing province, which only
in months ago voted in refer-
endum against independence
in Canada, would "come to
surface, worse than ever."

Mr. Trudeau, acknowledging
that "separation would be
a neutral" gesture in one, it
would not affect the federal
provincial balance of power.
It would retrocede the pre-
sidentialism for only the "free
Government has the power
to change the British Parliamen-
tary constitution."

Mr. Davis, the Ontario
leader, said she "was in a
conflict with Mr. Trudeau."
Goal of patriation and was
based in "nationalism."

**BLIND
AND
ALL ALONE**

Can you imagine what it is like to be alone in the world with no relatives or friends and to be blind as well?

This Society helps blindfold, lame, deaf and happy-seeming people and frequent visitors to many of its elderly people.

It is a place where a home for the elderly blind, and of grants to independent in terms of difficulty, as well as the deafness and many more of the same are the core of the means by which assistance is given.

Your help is urgently needed! Please remember this Society in your will.

**THE METROPOLITAN SOCIETY
FOR THE BLIND**

152 WATERLOO RD., LONDON W6 9SD

For further information contact: Mrs. J. H. GIBSON

Week ago. **Leading article, page 10**

holds the
bound

On the morning of 20th April 1978, Paul Oldfield arrived at Birmingham Town Hall, took out his double bass and proceeded to pluck and bow his way through Schubert's Trout.

With the promise of an audition with the Royal Philharmonic a mere 5 weeks away, he needed to be note perfect.

After practising for some hours, Mr Oldfield decided to break for lunch. And, having tucked up his bass, he locked it in his rehearsal room.

Out of harm's way. Or so he thought.

As fate would have it, in his absence, and without warning, the central heating system went quietly berserk.

With the result that Mr Oldfield returned to find his double bass half-baked.

The heat had fried the resin, warped the wood and shrivelled the strings.

Three days later, the claim arrived at our local branch of Commercial Union.

At which point we decided the simplest, speediest solution would be to replace Mr Oldfield's double bass with a new one.

Mr Oldfield, however, thought different. And said so, in writing:

"To be without one's normal instrument can actually affect one's peace of mind like a major emotional upheaval."

Since Mr Oldfield's "normal instrument" was clearly of more value to him than any replacement we might offer, we immediately agreed to organise repairs.

We made and paid for all the arrangements to take Mr Oldfield and his bass to London, where we tracked down the experts to see to the damage.

The following week we covered the cost of his return journey and that of his double bass. Which, we hasten to add, had been lovingly restored to its former glory.

Again at our own expense.

In time and in tune for the Royal Philharmonic.

Though we can't always promise to sort out a claim with such speed and so little fuss, at times when it would be so much easier to put a problem to the bottom of the pile, we're still more likely to put ourselves out.



Whether we're recovering the loss of a wedding ring or an oil rig, the principle's the same.

You see, we don't just look after bass players. We have many more strings to our bow.

We won't make a drama out of a crisis.

When Mr Oldfield refused our offer of a new double bass, we pulled all the strings to repair his old one.



LIBERALS TACKLE DEFENCE

Nuclear disarmament is by tradition the issue that tears Labour apart, but yesterday it provided the most spirited debate of the Liberal conference. This was a further indication of how the question of defence has become a major issue in British politics. Last week at the TUC the issue was fudged with a compromise resolution which conceded much ground to the unilateralist "clear disarmers" while being couched in sufficiently impractical terms to enable it to be supported by multilateralists and unilateralists alike. It was a sign of the resurgence of unilateralist feeling that it was necessary to resort to such a stratagem. At the Labour conference at the end of the month the defence debate is expected to be one of the most heated and divisive.

The Liberals showed yesterday that it is not only members of the Labour Party who are concerned by the issue. In the end the conference passed a motion that in effect reaffirmed existing Liberal defence policy, but not before a good deal of anxiety had been caused to the leadership. The straightforward unilateralist option calling for Britain's immediate withdrawal from NATO was defeated comfortably, but the majority vote was not insignificant. The margin of victory was more narrow, though, over the European

option. This had the not inconsiderable virtue of a conference decision on a policy intention and distant aspirations in such a way as to make it hard to be sure of its precise effect. It provided, therefore, only a moving target for its critics. If it had been passed, the Liberals would have been committed to pressing for the establishment of an integrated, but non-nuclear, European defence force. Would they also have been required to press for British withdrawal from NATO? Probably not for the time being, though the implications of such a policy would have been bound to weaken Britain's commitment to the Atlantic alliance. The resolution called upon the party to work towards the withdrawal of non-EDC forces from member states in other words, the withdrawal of American troops from Europe as soon as such a European force could be set up.

Whether Britain withdrew from NATO or not, such a demand would hardly strengthen the credibility of American nuclear protection for Europe—and a non-nuclear Europe would be in no position to defend itself. This resolution therefore had neutral implications for the medium term, without itself being specifically neutralist. For the longer term it looked forward to a united

and neutral Europe after the "decolonization of Eastern Europe". That proposition could be defended on the grounds that it does not matter because it is such a distant prospect. But when Soviet control over Eastern Europe is removed—and it cannot last for ever—that will not mean that the West no longer needs to protect itself against the Soviet Union.

It was significant that an option with such implications could attract a large body of support at the Liberal conference, even though it was defeated. The party leadership remains firmly in control of Liberal defence policy. Mr Steel can maintain not only his opposition to Trident, but also his support for Cruise missiles being sited in Britain. Two of his parliamentary colleagues, however, were clearly supporting the opposition to the leadership in the debate yesterday, and there were many delegates who remain unconvinced of the merits of the basic defence policy which all British governments have pursued for 30 years. That is revealing both of the present state of the Liberal party and of a wider section of public opinion. It looks increasingly as if the great battle over defence policy which was won twenty years ago will have to be fought all over again.

TURKEY'S POLITICAL CAULDRON

If military coups were typical, Turkey would be due for one any time now. Twenty years ago, in 1960, the Turkish army moved to bring order out of national chaos, before handing power back to the civilians. Ten years later the generals intervened again to give Turkey a "strong and credible government". Since then a succession of Turkish governments have presided over the mismanagement of Turkey's affairs, the latest being the minority administration of Mr Süleiman Demirel's conservative Justice Party, now nine months old.

The question is whether the present "harsh level" of violence in Turkey is likely to make the army want to intervene once more. So far this year over 1,500 people have died in political feuding, a third of them in the past two months. This is civil war by all standards. Last week the Chief of the General Staff, General Kenan Evren, described the country as a state of "anarchy and anarchy". "Everyone speaks for national unity," General Evren remarked, "but unfortunately everyone fails to bring it about."

On balance it seems likely that the army, having experienced the problems of running Turkey twice, before, will be less than keen to shoulder the burden again unless forced to do so. Certainly the web of violence in Turkey is so complex as to defy simple solutions, including military ones. With the central authority of the state apparently inert, rival groups on the extreme right and extreme left have proliferated, taking to the streets and exercising the rule of the gun.

According to some estimates here are between fifty and sixty different left-wing, terrorist groups, most of which spend as much time shooting at each other as at extremists of the right. The picture is further complicated by

the presence of important Muslim organisations. The Shites tend to the left and are fuelled by the fervour of the revolutionary events in Iran. There are also some eight million Kurds in Turkey, and they are undoubtedly influenced by Kurdish demands for independence in Iran and elsewhere.

Underpinning the general unrest is the Turkish tradition of the blood feud, coupled perhaps with the unsettling impact on a backward society of Turkey's attempt to modernize itself. Arguably, it is as much the Turkish authorities' failure to manage the economy as their failure to halt political violence which lie at the heart of the troubles. After an initial fiscal boom, largely sustained by protectionist tariffs, Turkey is now suffering from runaway inflation, coupled with chronic shortages of foodstuffs and other staple products. The IMF has channelled massive aid to Turkey on the strength of Mr Demirel's bold introduction of an austerity programme. The OECD countries last year gave Turkey a billion dollars in "emergency aid", and this year's levels are likely to exceed even that, with Germany bearing the brunt. The West certainly has strong strategic reasons for shoring up Turkey in the short term, while hoping that Mr Demirel will be able to get a grip on things.

Turkey is a key element in NATO's South Eastern flank, since it has a long border with the Soviet Union, and guards the Bosphorus and the Dardanelles. From this point of view the resignation last week of the Foreign Minister Mr Havrettin Erkman, was a blow to Western interests. Since Mr Demirel's government is in a minority it is vulnerable to opposition attacks, and Mr Erkman was forced to step down after losing a censure motion. The move, obviously, for

the Government, was a joint one by the moderately socialist Republican Peoples Party, led by the former Prime Minister, Mr Bülent Ecevit, and the more extreme left wing National Salvation Party of Mr Necmettin Erbakan. Whereas the outgoing Foreign Minister had been a strong supporter of NATO and had urged a Turkish rapprochement with Greece, Mr Ecevit and Mr Erbakan are in differing degrees less enamoured of the West. Mr Erbakan, indeed, is a fundamentalist Muslim and strongly anti-Western in outlook.

The prospect of a return to power by Mr Ecevit, supported by left wing Muslims, would offer little comfort to the Turkish people, who were less than impressed by Mr Ecevit's last term in office, and would be even less impressed if he had to depend on Mr Erbakan. The main problem for Mr Demirel on the other hand, is that he too is dependent on the support of another extreme political grouping, this time on the right. The Nationalist Action Party, led by former Army colonel Alparslan Türkeş, is in a position to bring down Mr Demirel at any time, and in July year nearly did so.

This has unfortunately laid Mr Demirel open to the charge that he tolerates right-wing terrorists, who tend to be better organized than the left in the current round of violence. The best role army officers could play at the moment would be to help the Prime Minister to restrain terrorists on both right and left and reassert the central authority so sorely lacking. But that they could try to set Mr Demirel and Mr Ecevit, who after all both had moderate mainstream views, to sink their differences on the right hand, together metaphorically, is better than breaking them on the street.

ANYONE FOR WESTMINSTER?

Settled by the speed and brevity of the Prime Minister's reply to a request for a recall of Parliament, Mr Callaghan has put it again. He wants "the grand quest of the nation" to be to win employment and the state of the economy. No need, says Mrs Thatcher, when the omnibus debated the matter in July it was known unemployment could go on rising, and to Labour and not that it was essential to recall Parliament in the summer of 1975, concerning which some comparable statistics as been dug up. Nor so, says Mr Callaghan in turn. The numbers out of work have grown more rapidly than ministers indicated in July: the money supply figures have gone into a spin.

Industry is clamouring for lower interest rates; the casualty list of firms lengthens week by week. If Mrs Thatcher is not going to do anything about it, he concludes, at least she should be prepared to listen.

Honours are even in this duel over the sleeping body of Parliament. Mr Callaghan scores from the fact that trends in unemployment and the profitability of industry have rapidly worsened, and from the disclosure that even if the Government is still on course in its economic policy, it is on course in spite of the contradictory readings of the navigators' chosen instruments. Mrs Thatcher scores from the fact that so useful purpose would

be served by summoning Parliament a month ahead of time, even granted the gravity of the matters mentioned.

The conference season is upon us, and this exchange between party leaders has the appearance of a stinging shot for the barrage that is about to descend. As the shrill whistles overhead—Mr Erbakan, indeed, has the shibboleth of three IMF, multinational, three million, industrial deserts, Trots, wets, Reds, hawks, Bourbons, Benn—prudent citizens will keep their heads below the parapet. It is well for the House of Commons too to be out of the way. Its hour will come when the din has subsided and winter approaches with a long hard look.

his island race

From Air Marshal Sir John Lapley to others. The White Paper on the Falkland Islands (Cmd 837) contains second class citizenship for several hundred Falkland Islanders who do not have grand-children who were born in the United Kingdom, but whose pure British nationality extends unbroken since the early nineteenth century when the islands were first settled.

Whilst understanding the Home Office need for caution over other dependent territories, we believe a case for Falkland Islanders is the same. Apart from being of the United Kingdom stock and owing intense loyalty to her Majesty the Queen, there are four fundamental differences. There was no indigenous population when the islands were first settled. Islanders have no "mother country" except the United Kingdom. There is no question of the islands seeking independence. The original service pensioners

settlers were promised the right to retain full British citizenship.

Falkland Islanders are British and should be given the full rights of British citizenship with right of entry and abode in their own country. Yours faithfully, JOHN H. LAPLEY, LIONEL DALLIE, PATRICK VINCENT, The Falkland Islands Office, 2 Grosvenor Place, SW1, September 7.

Church unity

From Sir Anthony Buzzard. Sir Brian Corry (September 3) is right to point out that the differences between Roman Catholicism and evangelical Christianity are vast and fundamental. For example, how far would evangelists find the following statement appearing recently in a Roman Catholic newspaper: "The Blessed Virgin Mary was gloriously assumed into heaven with soul and body and was crowned queen of heaven and earth."

by her son St Bernard says: "It is the will of God that we should have all things through Mary." (Southern Cross, August 21, 1980). To shrink from accepting such teaching will hardly be seen as unreasonable preoccupation with "the finer points of theological or doctrinal definition".

Students of the New Testament cannot fail to note the stern warnings of John, the Apostle of Love, against welcoming those representing teachings not in conformity with the teachings of Christ (1 John 10). Are we not in grave danger of confusing the real spirit of Christian love with a careless tolerance of error? Genuine unity is to be sought in a return to the simple teachings of the New Testament. Any mixture of the pagan with the biblical is dangerous. If it could be shown that the Pope is willing to have unity on those terms. Yours faithfully, ANTHONY BUZZARD, Robin Hill, Amersham Road, Chalfont St Giles, Buckinghamshire, September 4.

Policing football matches

From the President of the Association of Chief Police Officers of England, Wales and Northern Ireland

Sir, The contents of the letter from Mr H. E. McGee, Chairman of the Football Club (September 8) are, to say the least, disappointing. In no way can football clubs and supporters organizations shed their responsibility and resort to blaming the police for their own shortcomings. Of all duties which presently fall upon police in this country, the one most disliked overall is the policing of soccer matches.

To preserve the peace, to minimise disturbance, and to make possible the spectator enjoyment for the majority, local agreement, related to the layout of individual grounds, has compelled the conclusion that segregation is the most effective way of avoiding conflict. Regrettably the financial orientation of professional soccer is the root cause of all the current problems and the sporting aspect has been considerably diminished.

The chief constables of the country are currently looking and are for some years looking anxiously at solutions to this growing problem without present-day society and football with local football clubs. These considerations are being the process of a new finalization when it is hoped consultation will take place with all levels within football administration.

In the meantime, policing methods will aim at avoiding conflict as far as possible by mixing together all elements and cramming the maximum into grounds, regardless of the so-called loyalties of the varying factors.

Yours faithfully, G. W. R. TERRY, ACPO Office, New Scotland Yard, London, W1, September 11.

Drilling at sacred site

From Professor R. W. V. Elliott. Sir, Someone needs to register a protest at the callous disregard of the religious sensibilities of the Aborigines of Western Australia exemplified by the drilling for oil at Noonkanbah which you reported today (August 20). As I happen to be English, I am not sure that I am a fundamentalist Muslim and strongly anti-Western in outlook.

The prospect of a return to power by Mr Ecevit, supported by left wing Muslims, would offer little comfort to the Turkish people, who were less than impressed by Mr Ecevit's last term in office, and would be even less impressed if he had to depend on Mr Erbakan. The main problem for Mr Demirel on the other hand, is that he too is dependent on the support of another extreme political grouping, this time on the right. The Nationalist Action Party, led by former Army colonel Alparslan Türkeş, is in a position to bring down Mr Demirel at any time, and in July year nearly did so.

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Christians in Iran

From Professor Ann K. S. Lambton, FBA.

Sir, The seizure and torture of the Nestorian patriarch Yabballaha III (1281-1371), which began on September 2, 1295, and the massacres of Christians in Maragheh and elsewhere in the late thirteenth and early fourteenth centuries offer an interesting and instructive parallel to the persecution of the Assyrians in Iraq at present suffering in Iraq. In either case the persecution which the Christian community had a right to expect under Islamic law as a "people of the Book" proved illusory.

The persecution of the two persecutions is, of course, not exact. The Nestorians had enjoyed a favourable position under the Mongol conqueror Hulagu and his immediate successors, a position which they were to lose when they were forced to flee to Persia. Under Riza Shah and Muhammad Riza Shah the status of the Christian and other minorities was virtually that of second-class citizens whose existence was tolerated but not favoured. Further, the Muslim rulers made no claim, as do the present rulers of Iran, to be acting on behalf of the Hidden Imam. But for the rest there are striking similarities. The persecution began with an upsurge of Islam. The Ilkhan Ghazan made a public profession of Islam on June 19, 1295, a step which he was urged to take by his advisers. Ghazan was followed by his officers and soldiers. Once on the throne, which he seized in October, 1295, he reversed the earlier and more tolerant religious policy of his predecessors. Any Christian who was not an Anglican church also followed a reversion to Islam and has increased since the declaration of the Islamic Republic.

The methods of the present persecution are little different from those of the late thirteenth and early fourteenth centuries: murder, intimidation, false accusations, mutilation, none of which find sanction in the Islamic lawbooks. There is now, however, a new and ugly addition to the accusations made against the Christians, namely that of spying.

Any citizen who is not a Christian and foreign Christians almost automatically arouses suspicion and to other false accusations are now added the charge of spying. Partly because of their inordinate pride and self-importance and partly because they cannot believe that anyone can be concerned simply with getting on with his own job, almost all Iranians assume that anyone who knows Iran well or is fluent in Persian must be a spy. The crudest of forgeries are made to support the accusations of spying, but by constant repetition they gain currency. Thus the minorities, because they are minorities and because their very existence is seen to threaten the universalism of a resurgent Islam, are attacked and measures taken to encompass their destruction. Yours truly, ANN K. S. LAMBERTON, Kirkcubright, Wootton, Northumberland.

LETTERS TO THE EDITOR

Canada's federal problems

From Mr R. C. Lane

Sir, Any attempt at patriation of the British North America Act by unilateral request of the Canadian Government (leading article, September 9) would easily backfire, a fact of which Mr Trudeau, a former professor of constitutional law, is not unaware. While it is true that constitutional convention dictates that Westminster will enact any amendment to that Act duly requested by the Canadian Government, it is also true that every amendment so secured since confederation that alters the distribution of legislative powers has had the unanimous consent of the provincial governments, and this latter practice has quite likely hardened into equally binding convention.

If Mr Trudeau seeks to carry out his threat of patriation without provincial consent (and to do so would require a securing of a majority in the Upper House as well as in the Commons, which is by no means assured), he would not only be acting contrary to an undertaking of the federal government published in 1965 in White Paper, he would be forcing the British Parliament into the awkward position of having to decide between two binding and mutually exclusive constitutional conventions. Although there is disagreement amongst Canadian constitutional writers, it seems likely that Westminster should, under such circumstances, regard the federal request as improper and refuse it.

Such a request could also be a matter for the Queen. Provincial autonomy does not originally derive from Ottawa (save in the cases of Manitoba, Saskatchewan and Alberta, which were created by Acts of the Canadian Parliament, but directly from the Crown). The argument that provincial governments were in any way subordinate to Ottawa was emphatically rejected by the Privy Council in 1892. Thus with the spheres of the provinces and the Crown, the provinces continue to enjoy an autonomy which has never been subsumed within the federal pact. Given an assault upon this autonomy, it might be correct for the Queen, in right of the various provinces, and upon the advice of her Privy Council, to refuse the federal request channelled through Westminster, for she is Queen of Quebec, Alberta and the rest, no less than she is Queen of Canada.

Mr Trudeau's threat of unilateral action is not the first time he has resorted to strong-arm tactics. But for the federal government to put Westminster and the Queen in such an awkward and embarrassing position would be an act of over-kill—whatever other short-comings he has perpetrated over the past 12 years. Mr Trudeau is not a fool.

Yours faithfully, ROBERT LANE, 2 Waverley Avenue, Exeter, Devon.

Charleston Fund MSS

From Mr Roy Davis

Sir, The reasons Sotheby's (not, it may be emphasised, the trustees of the Charleston Trust) did not mention the sale catalogue the photographs of the texts of manuscripts that might go abroad. The English agents of Texas University are on friendly terms with a number of the Sotheby's trustees and cannot have been unaware of that trust's policy or of the identity of the donors of these papers.

1. Manuscripts (as Messrs Turner and Lake note in their second letter (September 3)) of 50 or more years of age and of such importance that they are subject to export regulations, which are stricter for manuscripts than for any other item sold at auction. In the event of a licence being granted copies may be ordered, partly at the cost of the purchaser, subject to a restriction on their use for a period of seven years. This restriction is relinquishable by the exporter should he feel that scholarly interests are best served by wide access being given to the information contained in the manuscripts. Photocopies of most, if not all, of the papers in the Charleston sale would therefore have been retained in this country had Texas University purchased and wished to export them.

2. The purchaser of manuscripts (or holder of photocopies) is restricted in his use of them, particularly in quoting at length from them, by the laws of copyright. All the papers in the Charleston sale, published or unpublished, are subject to the restrictions imposed by these laws. 3. The Charleston papers were on deposit at King's College for a period of some twenty years, during most of which time scholars from all over the world, including a number from Texas University itself, had virtually free access to and use of them.

4. Many of the most important letters, including all but one by Virginia Woolf, have already been published (this was noted in the catalogue) and Sotheby's made no claims about the unpublished status of any of the material, not even with the usual "unpublished" statement. 5. The existence of the photocopies at King's College was widely known to scholars of the Bloomsbury Group. 6. Sotheby's were not aware at the time the catalogue went to press that no restrictions would be placed on the use of the photocopies. 7. It was widely known that the papers at King's College were gene-

Canada's federal problems

From Mr Ernest S. Watkins, QC

Sir, Being in England on vacation, I read your leader on Canada's federal problems (September 9) rather earlier than I otherwise would have done, and I would like to take the chance to amplify a little your so well balanced views from the point of view of an Albertan. Quebec's resistance to the federal government has been thought of as based on language and culture, Alberta's as based purely on economic considerations. Both are oversimplifications.

Albertans believe that their province owns the bulk of its natural resources and that this ownership is an integral part of the existing federation. They also believe that as owners they have the right to decide what shall be sold, to whom and at what price. They now face the real possibility that the federal government will impose and collect an export tax on oil and natural gas for its own benefit, to help meet a deficit it is reluctant to cur by reduced spending. At the same time they are confronted with a statement by the Prime Minister that he will ask the British Government to "patriate" the British North America Act and by doing so empower a majority in the Federal Parliament to rewrite the Canadian constitution in its whole. As you say, that is the embarrassing position Mr Trudeau is attempting to impose on the British Government.

This, I believe, raises another constitutional question that I would suggest has not been sufficiently discussed. It is: has the United Kingdom Parliament still the right to pass legislation that is intended to, and will, adversely affect the rights of resource-owning provinces in Canada? Or, put that in another way, once Britain gave full sovereignty to the former dominions, Canada included, can a provision in a statute passed in 1867 (when Canada was a colony) be used to justify what would otherwise be interference by Britain in the internal affairs of another sovereign state? Certainly Britain has purported to amend the BNA Act since the Statute of Westminster was passed, but that has not been the result of a legal fiction, effective only because all those involved were prepared to accept what was being done?

The Canadian Constitution today resembles the legal concept of a tenancy in common in land. All must agree before there can be any change. As you say, a consummate act of creative statesmanship is needed. The danger is that Mr Trudeau and those around him seem unaware that this challenge exists. Yours faithfully, ERNEST WATKINS, (Chairman, Alberta Criminology Commission Board), Apartment 606, 104 26th Avenue South West, Calgary, Alberta, Canada.

Of course it is natural for those Liberals who have spent half a lifetime or more working in the political wilderness to believe that the party to which they have remained loyal is really no other than the only appropriate means for others to join them in offering to the electorate a single base for a government able to unite the country on the road to recovery. Such an assumption, however, bears no relation to the reality of the terms of the electorate's requirement for a visible sign of a real change in our political patterns or the practicalities of the demands it would make on Labour and Conservative social democrats.

It is to be hoped that in spite of all the clamour of party chauvinism inevitable at assemblies, the Liberal delegates will ponder hard on the indisputable fact that Mr Steel runs far ahead of his party in the esteem of the uncommitted voter. This is surely because, in both word and deed, he has demonstrated that rare quality in politicians of placing the long-term interests of his country before short-term party advantage. Yours faithfully, RICHARD S. ROWNTREE, Kintore, Pickering, North Yorkshire, September 10.

Belgium remembers

From Lieutenant-Colonel B. F. Montgomery

Sir, In Brussels, on September 7, I was fortunate enough to attend the unveiling of the Montgomery statue in the town of Montigny. On behalf of my family I should be grateful for an opportunity, in the columns of *The Times*, to express my warmest thanks to all the Belgian authorities involved for this honour and to my brother, The statue of a famous British soldier, erected at the request of Belgians in Belgium's capital city, is not only a distinction of the highest order, but also a significant belief in the progress and reflects the close bonds of friendship and alliance between our two countries.

At noon, when the statue (the work of Oscar Nemon) was unveiled by the Prime Minister of Belgium and the British Deputy Supreme Allied Commander Europe, the Belgian national standard was lowered in salute. The effect of this unveiling on the hearts of the Belgian people was immediate and dramatic, and I heard the gasp of wonder and acclaim for it was as if, suddenly, Monty had returned to Brussels. There he stands, in his familiar uniform, and there, overlooking the square that bears his name, facing the long broad avenue that culminates in the high statue of Leopold I, the first King of the Belgians.

The ceremony will surely live in the memories of the thousands who gathered to witness it. Yours faithfully, BRIAN MONTGOMERY, Army and Navy Club, SW1, September 10.

The shrinking shirts

From Mr John Gillard Watson

Sir, When I recently had some old shirts, not worn for many years, made fit for current wear by having collar stiffened to them, I was surprised to note their length. They measure, in fact, 36 inches from the back of the collar to the tail. More recent purchases measure only 32 inches; while the most recent—and much the most expensive—have shrunk to a mere 28 inches. It seems that the shirt manufacturers are about to approximate men's shirts to women's blouses. Will the impending unisex garment disappear altogether by, say, the turn of the century? Yours, etc, JOHN GILLARD WATSON, 32 Beech Cliff Road, Oxford.

Government and consent

From Mr Brian Mitchell

Sir, Monetarist theory is pushing a lot of people into the scrubs of unemployment. Is a little piece of R. H. Tawney's logic worth recalling?

Professor Tawney wrote (in *Religion and the Rise of Capitalism*): "Economic efficiency is a necessary element in the life of any sane and vigorous society, and only the incorrigible sentimentalist will depreciate its significance. But to convert efficiency from an instrument into a primary object is to destroy efficiency itself. For the condition of effective action in a complex civilisation is co-operation. How can those who have no jobs and want jobs (many of them people who have produced what we sell) be expected to co-operate

Cri de camp

From Mr Stanley Freedman

Sir, The lament from Camp Grenada to which Michael Leagman refers today (September 8) was written and sung by Allen Sherman, not Stan Freberg. Also the correct title is "Hello Mudder, Hello Fadder", to rhyme with the name of the camp. Yours etc, STANLEY FREEDMAN, 55 Twyford Avenue, NZ, September 8.

FOREIGN REPORT

Stalking the Khmer tiger in remote Kampuchea

Our South-East Asia Correspondent has recently returned from Kampuchea. This is the last of his five-part series which began on Monday.

Phnom Penh's State Theatre is packed most afternoons nowadays for Kampuchea's first full-scale theatrical production for more than five years.

The performance is a vivid portrayal of Khmer Rouge horrors relieved by classical Khmer music and dance and some devastating lampooning of a fat, ineffectual Thailand, who, having prostrated himself in the service of the tiger-masked hegemonist, gets his comeuppance, from the Communist Party of Thailand who serves the same master in Phnom Penh.

In Phnom Penh the victory over the Pol Pot regime is portrayed as very much a Khmer one, perhaps in deference to the politically sensitive city audience. In the provinces a similar performance ends with a Vietnamese soldier standing behind a Kampuchean as he raises the flag of the new Kampuchea at the end of the performance.

The production and the state troupe who perform it are the responsibility of Mr. Keo Chanda, Minister of Culture in the Phnom Penh Government, who is not only one of the political brains behind the Heng Samrin regime but also a long-time supporter of Vietnam as a Khmer communist who defected to Vietnam in 1973.

The piece is doubly interesting, not only for its skillful linking of the fear of the

Khmer Rouge, brotherly Vietnamese friendship and the revival of Khmer culture but also for its emphasis on the political realities of the Kampuchean situation.

The reality is that while Thailand makes great play of the assorted groups of anti-Vietnamese guerrillas lodging on the border, many of whom have less interest in driving out the Vietnamese than in enriching themselves, the Samrin Government is systematically moulding a national administration which is growing in competence and influence week by week.

Through courses in Marx and Lenin, administration and regular political education sessions, the Phnom Penh Government is pushing socialists to work in Kampuchea.

Those who find the mixture not to their liking tend to move aside. For the present the administration is a curious combination of former Khmer Rouge, pro-Vietnamese Khmer

communists and figures from the arms of Prince Sihanouk and General Lon Nol.

That mixture is dictated, more than anything else, simply by the lack of qualified personnel.

Though the Government is nominally headed by Mr Heng Samrin, it is clear that the power behind the throne is Mr Pen Sovan, who like others in the leadership, has close links to the Vietnamese and has a Vietnamese wife.

Seniority in the Government has a tendency to reflect the stage at which the individual abandoned the Pol Pot regime for refuge, or at least political compatibility, with the Vietnamese.

All the more curious then,

with this Vietnamese experience to draw on, that many of the problems of Vietnam are reappearing in Kampuchea, particularly corruption, although certainly corruption was part of the escape long before the Vietnamese arrived.

Government officials on relatively modest salaries are tempted to supplement their incomes through irregular means and those in certain ministries in Phnom Penh are noted for such practices. Mr Ty Yeo, vice-chairman of the Revolutionary Council, acknowledged the problem but said it could only be tackled satisfactorily once the standard of living had been raised.

Kampuchean history seems to be repeating itself in another important aspect. One of the primary reasons for the success of the Khmer Rouge, if one discounts for the moment the half a million tons of bombs dropped by American B52 aircraft, was the historical animosity between the countryside and the city.

The people of the countryside saw themselves as exploited by the city particularly towards the end of the Lon Nol republic, when the city, in the view of the peasants allied itself with foreigners against the countryside.

Yet the same imbalance appears to be building up again. Richer and preferential prices go to the cities for government employees while those in the countryside, who are not part of the Government's solidarity groups, are left to purchase or barter for their prices, more than double those paid by government workers.

Moreover the animosity of the "new" people who were moved to the countryside forcibly by Pol Pot for the "old" rural inhabitants, is apparent and gives rise to the belief of some people that there is still a considerable amount of residual support for the Khmer Rouge outside the cities.

The Revolutionary Council view is that the hostility between town and country, under Pol Pot, was largely the creation of Chinese entrepreneurs who exploited the economic relationship. To prevent that kind of relationship developing to an extreme the Government intends that much of the purchasing from the countryside shall be done in bulk by the Government and in the case of private transactions, a government committee will rule on fair prices for commodities.

Though it is hard to gauge the extent of support for the Government, Kampuchean are united in the desire for the Vietnamese to stay in the country so long as there is a danger from the Khmer Rouge. Mr Hun Sen, the Foreign Minister, has indicated that Vietnamese technical help will be needed for a long time, but that the Vietnamese Army will withdraw as soon as the Pol Pot menace has been eliminated.

Middle-class Kampuchean see no alternative to the presence of the Vietnamese. In many cases they have saved their lives. But one Western source believes that there has been at least one big trial of anti-Vietnamese dissidents who maintained in open court that a third revolution was needed after the blood one perpetrated by Pol Pot and the "colonial" one instigated by Hanoi.

Visitors to Kampuchea are constantly questioned about how much the outside world knows about the situation under Pol Pot. People are incredulous that, if the world really does know, a majority of nations should continue to support the seating of the Pol Pot Government at the United Nations.

The Heng Samrin Government, for its part, is promising elections next year, but it is clear there is going to be a serious little scope for participation by any of the parties besides the Kampuchean political class.

Indeed most of them have one way and another, disqualified themselves in the eyes of much of the population in Kampuchea. It is noticeable that in the border refuges camps the name of Prince Sihanouk still lights up people's faces whereas within Kampuchea itself Sihanouk is remembered only for having thrown in his lot with the Khmer Rouge.

Mention of other figures, such as Son Sann, the former Prime Minister, merely provokes a catalogue of their misdeeds, and the newly moderate face of the Khmer Rouge leadership under Khieu Samphan certainly does little to help.

As one Kampuchean put it: "The people of this country would welcome any government at the present time which gives them peace and stability." Given the mayhem of the past 10 years, that means the status quo.

But that situation does not suit the Chinese. They have declared that they intend to bleed the Vietnamese through the Khmer Rouge in Kampuchea. So far the indications are that the Khmer Rouge are capable of staging little more than nuisance raids and occasionally capturing a border town with little prospect of expelling the Vietnamese.

But the Khmers are by now well used to having their country used as an international chess board. After all they have suffered, it is said, commentary there is not a brighter prospect.

David Watts

Getty museum tries to appear tight-fisted

Each week's mail brings a flood of solicitations seeking to relieve the world's richest art institution of some of its considerable fortune. But in spite of being able to spend about £25m a year on acquisitions, the J. Paul Getty Museum in Malibu, California, is trying to give the impression of being tight-fisted, according to Mr Stephen Garrett, the Cambridge-educated architect who is the director.

The terms of the 1944m Getty endowment have been made the art world nervous. Would Mr Garrett and his trustees be leaping around the world spending like fools winners, buying up art prizes at enormously inflated prices and setting the market on its ear?

In the event, the Getty Museum, which opened in 1974, has been at great pains to be unobtrusive since the news of the huge bequest after Getty's death in 1976. So much so that when Sotheby's auctioned "The Resurrection" by the Flemish master, Dick Bouts, in London last April, it was the Malibu industrialist, Norton Simon, who forced up the price to capture the painting at £1.7m for his museum at Pasadena, California.

A mere 100 yards from the blue Pacific and the rambling traffic on the busy Pacific Coast Highway, Mr Garrett was having lunch under the eaves by a Romanesque fountain, in one of the museum's many sun-dappled courtyards, telling a group of visiting university students about the not altogether unproblematic problem of coming into a fortune.

"The Bouts painting is a good example of our problem," he said. "It's exactly out of our cup of tea. But at the last moment we decided not to bid. We knew this sale would attract huge publicity and huge prices. But we do not want that kind of his spending reputation."

"I hope we have created a climate where people are saying: 'Well, they haven't got the money yet and in any case they seem fairly tight-fisted'. That you see, makes it easier for us to infiltrate quietly when it's really important."

The Getty Museum is a recreation of the Villa dei Papi in Vatican, overlooking the Bay of Naples. It overlooks the bay of Santa Monica. Despite all the initial publicity about the building, Mr Gar-

rett said, people are very ill-informed about the place. "I've been asked: 'Is this the house that Hearst built?' And because of our closeness to Hollywood some people seem to think we simply bought up the sets of *Spartacus* and *Ben Hur* and moved them up the road."

But there are no apologies for the lushness and extravagance. "Because Mr Getty was an oil tycoon, people somehow expect a heavy collection. They are surprised to find we're in the forefront of great American museums."

Getty, who died in Surrey, never saw his finished museum, though he is now buried in the grounds, about half a mile from the building. He has left his legacies with a somewhat enviable dilemma: How to use the money when it eventually arrives, to boost its collections of classical antiquities, European paintings from the Renaissance to the eighteenth century and French eighteenth-century furniture without antagonizing of treating on too many other art institutions' toes.

"The Getty plans to use its money and its freedom to reinforce and strengthen its areas of interest."

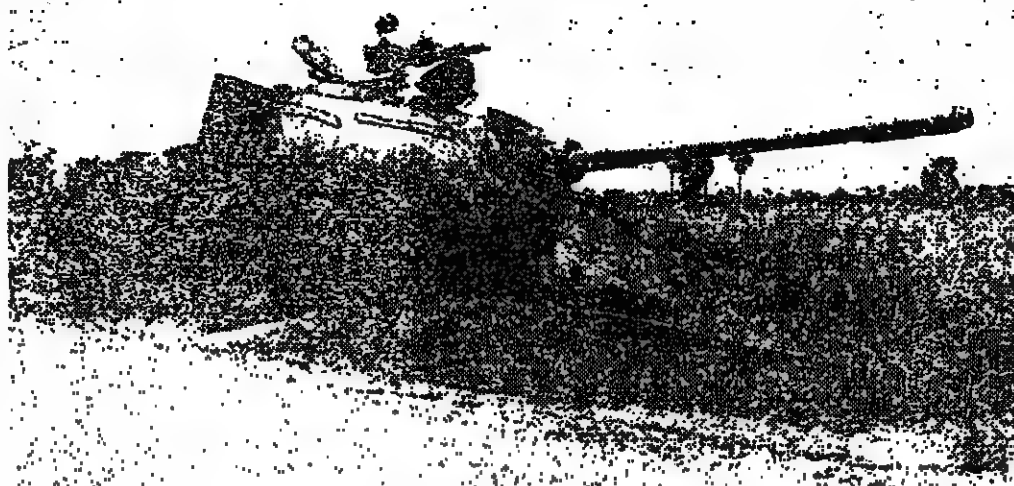
"We have considerable gaps in places and edges that might be strengthened," the director explained. "Of course, as a fine arts museum we are very late into the game. We will never catch up with the fat-cat institutions. The Metropolitan in New York has 20 Rembrandts and the National Gallery has two works of Fra Angelico. We'll never be able to do that. But we will be able to have the highest-grade examples of certain things."

Later this year the Getty will display in Malibu and New York 50 Leonardo da Vinci drawings borrowed from the Queen.

Hopes have also been raised recently that the Getty might open a "branch museum" in London. This could allow it to purchase and house in Britain items that would then be available for loan to the Malibu establishment.

The Getty could also work with other art museums by buying jointly, which was done recently with a museum in Zurich and with the Courtauld Institute in London.

Ivor Davis



One of the Soviet-built tanks knocked out during the Vietnamese invasion.



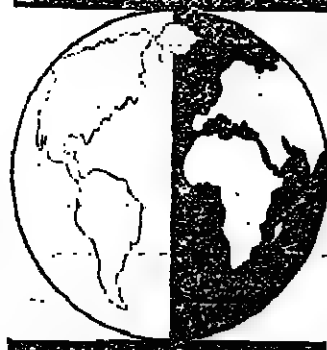
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Doubts on US car import curbs

America's International Trade Commission, in a fact-finding report published in Washington, said government import restrictions would not guarantee that consumers would switch their buying plans from imports to domestic models.

The commission's study, written by senior staff members in advance of formal hearings by the government, documented Japan's growing share of the American market for passenger cars and light trucks. But the report said a number of problems would be raised by any form of government import relief.

Smaller Krugerrands

The South African mint is issuing a new series of Krugerrands to make gold available to the small investor. The half-ounce, quarter-ounce and tenth-ounce coins will be launched on September 23. Previously Krugerrands were available only in one-ounce coins.

\$600m Korean loan

A visiting World Bank delegation has met Mr Shin Byung-hyun, the South Korean deputy premier and economic planning minister in Seoul, to discuss a projected \$600m (about £250m) World Bank loan to South Korea for industrial development programmes.

Telephone contracts

ITT's German subsidiary, Standard Elektrik Lorenz, has received a new order from the German Bundespost for the installation of two-system, 12 digital telephone switching exchanges for the cities of Wuppertal and Huesenwagen, it was announced in Stuttgart.

Iran food imports

Iran will import around 500,000 tonnes of wheat, 500,000 tonnes of maize and 200,000 tonnes of barley in the second half of the year ending March 20, it was announced in Tehran.

Energy reserves

Norway's proven recoverable oil and gas reserves have been revised upwards from 1,700 million tonnes to 2,100 million tonnes, a ministry of oil and energy official said in Oslo.

British Telecom's network set for completion in 1990

£2,500m System X project starts

The first of British Telecom's much-heralded electronic telephone exchanges—System X—was officially opened in London yesterday. It represents one of the major components of the corporation's modernization programme.

The system will embrace the 30 major trunk exchanges by 1986, including all the principal cities in the United Kingdom. By 1990 the £2,500m System X modernization programme is expected to be nearly complete.

But the system is more than just a breakthrough for its designers and manufacturers—GEC, Plessey, STC and British Telecom. According to Mr Peter Benton, British Telecom's managing director, it represents one of the most important features in the infrastructure needed to support commerce and industry.

The Republic of Ireland realized the importance of this type of communications system when it gave priority to an investment of £650m to

modernize its telephone network. Without it, the Irish Government said, its plans for industrial expansion would be seriously curtailed.

The creators of System X hope the new digital system can achieve 10 per cent of a telecommunications export market assessed at £100m a year.

The partners in the project formed a new company called British Telecommunications Systems in 1979 to promote the sale of System X outside the United Kingdom. Teams from BT, GEC, Plessey and STC have shown off the technology at exhibitions in Geneva and Rio de Janeiro over the past year. Next spring it will be displayed in Bahrain.

Competition from manufacturers in the United States, Japan and Canada is exceptionally fierce in trying to attract business from the Middle East, South America and some parts of the Far East.

Last month, BT was market-

ing the technology in China and plans a return trip at the beginning of next year. No export orders have yet been placed for the system, but the company seems optimistic that within the next four or five months it will have acquired the first export order for System X.

Its success will depend on a number of factors, particularly the acceptability of its designs. The finance available to potential customers will be a crucial factor in determining the success of any telecommunications contract. Before BT can sell the system abroad, it must be operating successfully in the United Kingdom.

British Telecom's programme for System X and other equipment, including refurbishing, will require an investment of about £1,500m a year over the next five years. That investment must be financed under British Telecom's present structure, largely from its own

revenue because of strict cash limits on borrowing.

What will System X mean to the domestic customer who will finance most of that expansion? In theory, a far better system.

British Telecom claims the new system, which has been in use in London since July 1, has taken 2.5 million calls since then, with a failure rate of only one or two in 4,000. This is an improvement factor of 20 on some routes.

Facilities such as rerouting calls will be tried in the local exchange in Woodbridge, Suffolk, the next area to take the system. That will take place next year and will be followed by a similar trunk system in Cambridge.

However, the performance of the first System X, based in the City of London and interconnecting 40 local exchanges, will give indications of the future of this new technology.

Bill Johnstone

US budget deficit of \$55,000m forecast

From Frank Vogel
US Economics Correspondent
Washington, Sept 11

The United States budget deficit for the 1980 fiscal year that ends on September 30 will probably be around \$55,000m (about £22,917m) according to Mr Bowman Cutter, executive associate director of the Office of Management and Budget.

The figure is significantly below the estimates circulating on Wall Street which suggest a deficit of \$64,000m or more. It also appears that financial markets are being influenced by some genuine misunderstandings about the implications for the coming year's deficit of President Carter's tax cutting plans.

Confusion about the budget is likely to grow. The United States Budget Act calls for Congress to pass a budget resolution this month setting spending levels for the coming fiscal year. Congressman Robert Gialo, chairman of the budget committee of the House of Representatives, said there was "now no election at all of a budget resolution before the election".

Mr Gialo added that strong pressures were building up on Capitol Hill against recalling the Congress for a special session "there simply will not be a budget resolution this year".

In July the Carter Administration estimated the current year's budget deficit at more than \$58,000m and it estimated the 1981 deficit at \$29,800m. A reduction in this year's deficit from the estimated level is virtually certain because unemployment has grown more slowly.

Heavy plant suppliers optimistic about increase in orders

By John Huxley

Prospects for heavy plant suppliers are better than for some time, with manufacturers already reporting an upturn in orders.

Mr Harry Hornsby, director general of the Process Plant Association, said that the industry had been going through a tough period. "But we can now see some light at the end of the tunnel. It will take some time for a build-up in orders to materialize, but we are optimistic that they will come."

Three of our members told me only yesterday that their order books were fuller now than at this time last year.

The note of optimism struck by Mr Hornsby coincided with an announcement by Northern Engineering Industries that its subsidiary NEI Clarke Chapman at Gateshead had won a £9.5m order for a new boiler.

Process plant manufacturers had expected to have spare order books for a few years until energy-related construction began again. But their confidence in recent weeks has been raised by confirmation that work will go ahead soon on large oil and petrochemical projects.

Earlier this year, the Government announced its support for a pipeline system which will gather gas from a wide spread of North Sea fields. A total investment of about £1,100m is expected. An organizing committee including Mobil, British Gas and British Petroleum is planning the project in detail.

Last Monday, Esso confirmed that it is to go ahead with an ethane-based ethylene cracker at Mossburn, Fife. The initial investment will be about £300m, but downstream developments could increase

the final total to more than £1,000m.

Process plant suppliers have campaigned hard to ensure that they obtain a large share of the work and their hopes must have been raised by the fact that Smith, chairman of Esso Chemical, who said that he expected British companies to be able to meet the various criteria for awarding contracts.

Mr Hornsby believes that the £250m package of North Sea projects announced by the Department of Energy last week could bring £300m worth of orders to its members. No time scale has been set for two of the Occidental projects, and it seems unlikely that the various projects will be planned by Dow, Esso and Occidental will each go ahead.

Apart from petrochemical orders, investment for both nuclear and coal gasification and liquefaction plants is expected by the plant suppliers. Moreover, investment in the food, drink and packaging industries has not been badly affected by the recession. The process plant industry has annual sales of about £2,000m, of which almost a third is exported.

NEI Clarke Chapman's order has been awarded by the United Kingdom Atomic Energy Authority for the assembly of tube bundles for the Dounreay prototype fast reactor. The order will enable work for some of the 1,300 Gateshead employees until 1983.

The company expects that orders for boilers for the two new advanced gas-cooled reactors at Heysham and Torness will be placed before the end of the year, ensuring employment for the rest of the workforce.

Du Pont jobs blow to Northern Ireland

Job prospects in Northern Ireland suffered another severe setback yesterday. More than 400 workers at Du Pont's Oran acrylic fibres plant at Maydown near Londonderry are to lose their jobs. A further 300 textile workers in the area also expect redundancy in the next few days.

Du Pont is Londonderry's largest employer, and a quarter of its workforce will be lost. The company will no longer manufacture acrylic fibres in Europe. An Oran plant at Dordrecht, in the Netherlands, was closed last year.

Continuing losses at Maydown were blamed on overcapacity within the industry. Du Pont, retaining three other plants on the site producing Neoprene, synthetic rubber, Hylens isocyanates and Lycra elastane fibre.

Within the next few days, Cornhill is expected to make redundant about 300 workers at its Campsie spinning and finishing mill.

Chubb sheds 550

About 550 workers will be made redundant because Chubb & Son will stop making cash registers. About 375 are based at the Chubb Cash factory in Hollingbury, Brighton.

The company's withdrawal leaves the cash register market entirely to overseas manufacturers, whose market share has increased to 95 per cent.

Rover line closing

BL plans a further cut in Rover car production, with the loss of hundreds more jobs in the West Midlands. Yesterday, BL confirmed that one of the three car assembly lines at Solihull will be closed before the end of the year and that 650 voluntary redundancies will be needed. About 100 will be sought over the next few weeks.

John Brown shutdown

John Brown, the engineering group, will close its Lessons Plastics plant at Buxtonwood, Lancashire, in November, with the loss of 180 jobs.

Talks between management and unions, who say that the company intends to transfer work to other parts of the group which are already losing money, failed to save the plant.

Pottery redundancies

Two pottery companies in North Staffordshire announced 230 redundancies. H. and R. Johnson, of Tunstall, Stoke-on-Trent, which makes tiles, is to make 180 redundant at two factories. Royal Worcester Spode's factory in Loughborough is to close with 50 jobs lost.

Perkins lays off 200

At the Perkins diesel engine company at Peterborough 200 workers were laid off. The men are employed on V8 engine production, but have been sent home for two weeks because of a drop in demand.

350 jobs likely

Molins, the cigarette machinery manufacturing group, is to build a new factory at Milton Keynes in Buckinghamshire which is expected to provide 350 jobs by 1983.

The company said it had begun restructuring because of a demand for its handling and packaging systems exceeding the possible output at its Deptford premises.

LETTERS TO THE EDITOR

Where Britain fails in translating ideas into commercial success

From Mr G. W. W. Pentin

The correspondence between Air Commodore Nance and Sir Frederick Bolyard is fascinating for here, in microcosm, are important clues to that much quoted difficulty of the United Kingdom in bridging the gap between innovation and major commercial implementation.

Obviously a process of some type is involved, but less common sense upon it is the incompatible chemistry of the innovator and the committee. In this particular instance it is possible to see how early in the process the difficulties start.

You recently featured an article on "Electricity Producing Windmills" and the parcel laid between that and the present subject is noteworthy. For some years United Kingdom advisory committees on wind energy have counselled caution even when faced with an inevitably converging arithmetic pointing to a more positive conclusion. In the interim a complete, rapidly moving technology has all but slipped abroad.

"Consensus" (the term used by Sir Frederick) has added like the prevalence of truth and permanence, he implies, "Consensus" in the case of United Kingdom "Electric Windmills" is presently undergoing a complete reversal of conclusion.

when faced with a recent and conflicting United States "consensus". The "consensus" is a transitional emotion and not too much reliance should be placed on the fact that the issuing committee comprises honourable and able men.

It is in the nature of committees to be conservative, they have a character of their own, normally quite dissimilar from the character of their individual members. Indeed, the privately expressed opinions of committee members frequently bear no resemblance to the conclusions of the committee. But when that committee is advisory and not just regulatory it bears an added responsibility to be imaginative and recognize a new technology when one is dangled before them. Patently, this does not happen.

Certainly, the combined effect of a Government "policy" committee, a self-financing industry and the conclusions of an uncontroversial committee is a witches brew. Sir Frederick's committee is an influential and powerful one. It should have been more active and actively supported a proposal it considers "promising". This is one of the most important ways that the flux of industry can be increased.

To show how a negative conclusion can lead to a loss, consider the following

'Persuasion' Tea trolley assistants and declining rewards

From Mr V. Leonard

Sir, Out of curiosity recently, being a partner in a West Country Cottage Industry, and being responsible for overall sales and marketing, I have been looking at the availability of jobs in the London area and the salaries being offered.

I was, therefore, very surprised to see an advertisement on page 29 of the Evening Standard of September 2, on behalf of Barclays Bank, requiring tea trolley assistants at a wage of £80.27 per week, inclusive of bank benefits (no qualifications required), and an advertisement in the Daily Mail of the same date for a product development supervisor for a major publishing and marketing group (Charles Letts & Co) at a salary of £5,000 per year, qualifications to "A" level required.

I would honestly like to know how the two aforementioned jobs can justify only £20 per week difference. Is this why Britain is going wrong? In recent newspapers I have read of graduates turning to manual

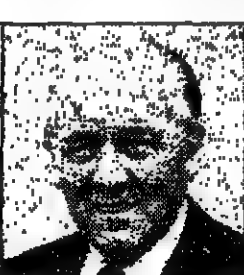
labour, as much for the fun or just to have a job as to preferred to the "dole". I do feel that it is time labour, and as I see it, it relates to all work, which be a tea trolley assistant, chairman of a public company be rewarded according to merit.

No wonder our quality population is flocking, escape to other countries, where the opportunities are rewarded. I therefore fully request that both I and small businesses alike their responsibilities to employment and, sal offered. In perspective, Britain has a great task of it to get back on to world map as a produce good products at competitive prices.

As we to become a nation of tea trolley assistants? Yours faithfully, V. LEONARD, 28, Lower Bristol Road, Weston-super-Mare, Avon BS23 2PS, September 7.

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'Dividend increased by 100%'**

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Rigorous surface trials of our T.P. 2000 Shearer Loader have now been successfully completed which has given us tremendous encouragement for its success as a coal-producing machine throughout the world.

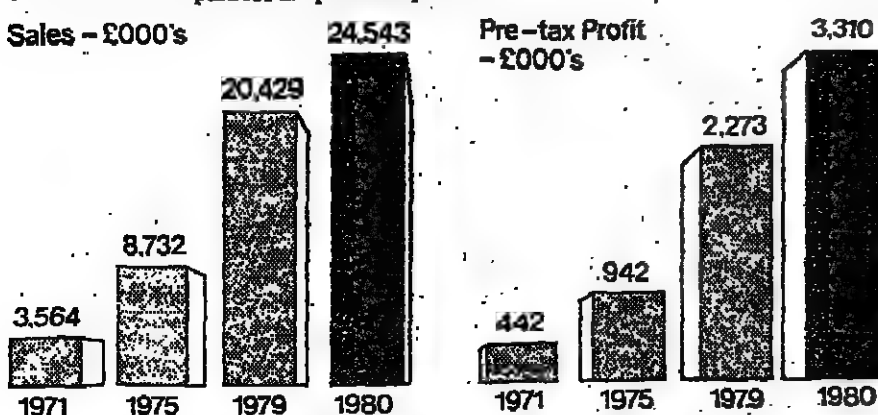
American Longwall Mining Corporation This subsidiary is now operating in an established base in Abingdon, Virginia, U.S.A., and is meeting with a high degree of success especially with our chain conveyors.

Mechforge Limited Despite adverse trading conditions in the material handling industry, we have successfully retained our share of the market. Diversification of the product range has resulted in some increase in business, though customer demand for larger more specialised forgings has created the most significant change in the company's product output.

Mech Cast Limited The investment made in earlier periods has resulted in the company now realising its full potential. A growth pattern in line with the needs of the parent company is anticipated and production of castings for consumption outside the group should increase steadily.

Mech Construction Limited There has been an increase in turnover and profit compared with the previous period and we are confident that we can continue to trade successfully in spite of more active competition in a depressed construction industry.

Dividend The total payment of 2.0p net per share, represents an increase of 100% over the dividend paid for the previous period.



For a copy of the Report and Accounts, please write to: The Secretary, Mining Supplies Limited, Hillcrest Works, Carr Hill, Balby, Doncaster, South Yorkshire.

IMF could ease cost of oil to Third World

From Nicholas Hirst
Munich, Sept 11

Developing countries should make more use of the International Monetary Fund to ease the impact of increased oil costs on their balance of payments, the World Energy Conference was told today.

In a paper presented by Dr F. W. Christians, a managing director of Deutsche Bank, said Third World countries had little scope for developing expensive oil substitutes and energy conservation which was available to the West.

Even developing countries with raw material exports had to export five times as much to pay for each barrel of oil as they did in 1970.

The industrialized countries could not ignore the problems of increasing balance of payments deficits for the Third World, Dr Christians said. The surplus of the Organization of Petroleum Exporting Countries would be larger and take longer to disperse now than after 1973-74.

Developing countries' average current account deficit between 1974 and 1978 totalled \$30,000m (£12,295m). In 1979 they were \$43,000m, and in 1980 they will be \$50,000m.

The ratio of debt servicing costs to export earnings rose on average from 15 per cent in 1973 to 18 per cent in 1979. The debt service burden increased from \$17,000m to \$57,000m.

Opec's decision to raise its own aid fund from \$1,500m to \$4,000m was inadequate he said. The recommendation of Venezuela and Algeria to place \$20,000m into a new Opec bank would be best directed through institutions like the World Bank. The World Bank has suggested spinning off an affiliate for Third World energy projects of \$25,000m.

The developing countries, however, should accept the financial strings attached to IMF balance of payments loans so they would move towards a healthier financial position in the future.

Commercial bank's lending would need to be aided by greater cooperation with international agencies with an increased exchange of information on credit worthiness.

Schroders

Interim Statement

The Directors of Schroders Limited have resolved to pay an interim dividend for the year ending 31st December, 1980 of 3p per share on the Ordinary Shares of £1 each (fully paid).

This interim dividend takes account both of the capitalisation issue made in April 1980 (which on a strict scaling down, to an equivalent basis would have reduced last year's interim dividend of 3p per share to a dividend of 1 1/2p per share) and of the Directors' expressed intention as forecast in the Chairman's Statement issued with the accounts in April last to reduce the disparity in size between the interim and final dividends. It does not of itself imply an increase in the total sum to be distributed by way of dividend in respect of 1980.

The dividend will be payable on 30th October, 1980 to shareholders whose names appear in the Register of Members of the Company as at 2nd October, 1980.

The profits of the Schroder Group for the first six months of 1980 were higher than those achieved during the corresponding period of 1979.

120 Cheapside, London, EC2V 6DS 11th September, 1980

The John Lewis Partnership

department stores and Waitrose supermarkets

Half-year ended 26th July 1980

Sales rose by £50 million (17%) to £344 million. Department store sales increased by £20 million (12%) and sales in Waitrose supermarkets by £30 million (25%).

Trading profit was £162 million, £17 million (9%) lower than last year's record figure. Waitrose trading profit rose by 25%.

Profit sharing: Interest payable rose by £1.8 million principally because of higher interest rates. The profit available for reserves and profit sharing was £9.2 million, 20% lower than last year. Allocation between reserves and profit sharing is determined when the results for the full year are known.

For further details of the results and/or the John Lewis Partnership please telephone 01-637 3434 Ext 6221.

John Lewis Partnership Limited Consolidated Results

	1980 £ million	1979 £ million
Sales (including VAT)	344.0	294.0
Trading Profit	162	179
Interest	3.8	2.0
Pensions Funds Contributions	2.8	2.7
Preference Dividends & Related Tax	0.4	0.4
Surplus available for profit sharing and subject to further taxation, for retentions	92	12.8

BY THE FINANCIAL EDITOR

Turner & Newall grasps the nettle

Settlement in Zimbabwe could not have been a better time for Turner & Newall, which has significant asbestos mining and manufacturing interests there. Not only has it secured an infusion of £97m worth of new shares into the balance sheet (which taken a £51m reduction in net debt achieved through the sale of various overseas assets), the period has pulled back gearing at the end of June from 50 per cent to only 35 per cent, but it has also provided an £15m profit when T & N is most in need of it. Nevertheless, it has not prevented a one-cut in the interim dividend which it was through with the final dividend of 10.5p. That decision reflects the prevailing situation at present: earnings, after redundancy costs of £5m in the half, are still insufficient to cover the dividend on an historic cost basis, let alone current cost accounting.

T & N's British earnings, generated largely by the automotive and construction sectors, remain under heavy pressure. Last year's profit of £11.5m fell to £9m in the first half. Overseas (discounting the first Zimbabwe contribution) fell by £1.8m to £12.4m. An encouraging point is that T & N's management has not been idle. Whilst seeking to maintain the base of the business, it sold peripheral assets worth £24m, payment in the United Kingdom has been reduced by 2,750 over a seven-month period. The savings, theoretically available, should be some £15m a year, and a balance sheet is now in good shape to weather the recession.

T & N, in common with most companies in the manufacturing sector, needs a revival in earnings. When that is anybody's guess at the moment, but it happens the market is going to worry the dividend now that T & N has taken a decision to cut.

Business Peak Immoderately
An exceptional period in the commodity market has saved Guinness Peat from what otherwise have been disappointing trading profits. Almost doubled to £13.2m, the company's contribution to the overall rise in the first half was £10.7m, which accounts for the second half saw not just the frame-up in the prices of silver and other metals, but in rubber and sugar as well.

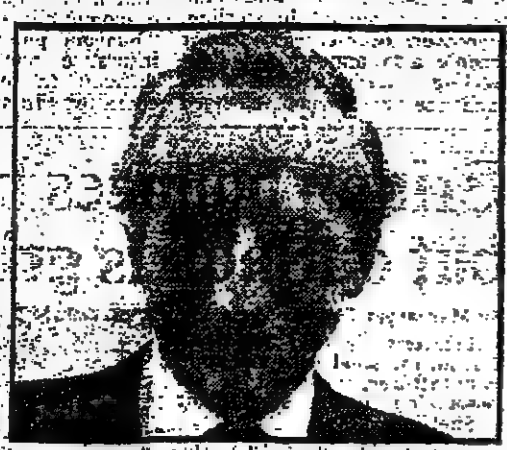
Guinness Peat's trading profits will be repeated. So next year, it will have to expect a similar upturn in trading activities. Of these, only money, broking, showed life, with trading profits rising by £800,000 to £2.55m. Other sectors also contributed more, were insurance and aircraft broking and leasing, significant, perhaps, is the performance of the bank. Disposed banking profits rose £200,000 to £1.8m.

Question now is whether the group's strategy of concentrating more on the core business is a prudent one. In 1974-75, the bank was a major contributor, and it may be necessary to increase its relative to that of the whole group. The market has been hit by the 2p drop to 347p. An 10p rise, the dividend is 12 per cent higher, after a 6.07p. Cover has been increased 1.58 times to £94, reflecting the own caution about the future. The yield of 5.8 per cent and a p/e ratio of 10.5 look high enough.

Biscuits
Leasing the
lend
A familiar story from United Kingdom where retail de-stocking in the trade hit business in the first half. UB has done better than some. Profits are maintained at £15.1m, expects to better 1979's pre-tax profit of £15.1m for the full year.

UB's profits had in fact risen by 13.3p to £20.4m but interest charges—up 4m to £4.3m—eliminated that gain. The £34m rights issue in March has cash resources and knocked net borrowed down to just over 20 per cent of sales.

UB has a heavy expenditure programme on new technology of around £100m, of which some £60m will be spent this year.



Sir Hector Laine, Chairman of United Biscuits.

United Biscuits, which has been acquired nearly two-thirds of trading profits, and forward orders look reasonably encouraging.

So, the interim dividend is up 10 per cent, suggesting a 6.6 per cent yield at 88p where the shares are back to pre-rights issue levels. With final profits likely to be around 7.8 per cent, giving a fully-taxed prospective p/e of 12, the shares remain a good defensive stock.

The Murray Johnstone group announced in July that its five trusts were going to abandon similar investment policies and go their own ways and now the Electra Group has taken a big step towards disentangling its largest single investment trust, Globe, from Electra, lowering its stake in Electra from 44.4 per cent to 26.73 per cent.

Globe wants to specialise in market leaders and increase its investment abroad, ending its association with a small number of the investment trusts. Electra is going for special situations and unlisted companies. The divestment will reduce Globe's £30.7m stake in Electra to £10.7m, a 35 per cent share, and will be to Globe shareholders at 45p a share, equal to 1979 before a planned two-for-one split.

Globe is putting itself in money but at the expense of diluting its value. It goes down from 191p to 181p. But the capitalisation makes Globe shares more attractive to hold. We say they are more attractive and possibly, some capital-raising now, that the trust accounts have narrowed to 20 per cent.

Frank's type certainly have put on the market by the disappearance of the currency premium, the obligation of dividend cuts, and the new freedom from capital gains tax.

Hepworth Ceramic American ambitions
Even Hepworth Ceramic's legendary capacity for turning declining volume into increasing profits could not cope with the steel strike, although in the first half of this year it worked for every division except refractories which swung from a £5.3m profit last year to a loss of around £1m in the first half.

This left trading profits down from £16.15m to £14.6m. But last year's rights issue secured the balance sheet sufficiently to transform a £795,000 interest charge into a £612,000 credit leaving pre-tax profit only marginally down from £15.3m to £15m. Full year profit should be maintained at around last year's £36.2m.

Meanwhile, the tender offer for Western Plastics represents the end for the time being of Hepworth's acquisitive drive and the end of the creation in the United States of a mirror image of Hepworth UK without the refractories.

In the same way can be achieved, over the next few years, the United States and United Kingdom earnings should reach parity at some stage over the next decade.

So the gamble is on management's ability to nurture the embryonic Hepworth in America with the same success as in the United Kingdom.

At 100p, then, yielding 7.1 per cent, the shares already reflect the fact that Hepworth is an exception to the rule in the manufacturing sector. The shares should be held.

One of the biggest problems with which finance ministers will have to grapple when they attend the annual meeting of the International Monetary Fund (IMF) and World Bank at the end of this month is the resurgence of large, unquantifiable petrodollar surpluses in the hands of a few desert kingdoms.

The problem, in essence, is how to ensure that these capital surpluses are channelled—or "recycled"—back to countries, particularly those in the Third World, that are desperately short of foreign currency to serve to meet the spiralling cost of their oil imports.

The recycling question has reappeared in the wake of the 130 per cent rise in the nominal price of oil which has taken place since the beginning of 1979. The price increase is expected to raise the oil earnings of the Organisation of Petroleum Exporting Countries (Opec) by some \$160,000m this year, compared with \$77m in 1978. It gives them a current account surplus of around \$115,000m.

In some respects the situation that is emerging today is not unlike what happened after the quadrupling of the oil price in 1973-74. This time, however, the petrodollar surpluses are not expected to diminish anything as quickly as they did before.

After the earlier oil price increase, the Opec surplus climbed to \$64,000m (compared with only \$5,000m before the increase), but the surplus had almost been eliminated.

This time, according to some projections, the cumulative Opec surplus could amount to \$400,000m between 1979 and 1983. These vast surpluses will be matched by deficits in most other regions of the world. This year, for example, the aggregate deficit of the industrialised nations is expected to be around \$30,000m and the aggregate deficit of the oil importing Third World nations seems likely to be around \$70,000m.

However, these deficits can only be covered as long as external funds can be found to finance them. Deficits and surpluses must cancel each other out. The critical question is at what level of world income this happens.

The oil importing nations face the task of reducing their deficits and the corresponding surpluses, but the level of world income will be lower than would otherwise have been the case. It will take many years for most oil importing countries to carry out the structural adjustments to their economies made necessary by higher energy costs and changing trade patterns.

More successfully, the Opec surplus can be recycled back to the deficit countries, the less painful way of this process of adjustment.

But there are several reasons for thinking that the enormous problem now being faced by the world economy will prove

more enduring than those that it faced in the middle 1970s; and that greater difficulties in recycling the petrodollar surpluses this time will both contribute to, and result from, the more entrenched character of the crisis.

To begin with, it seems very probable that the real price of oil will continue to rise in coming years, and not fall as it did between 1974 and 1978. At the same time, the low population members of Opec (which account for most of the petrodollar surplus) seem unlikely to continue expanding their own imports at the same rate as in recent years.

In addition, the concern in industrialised nations about inflation, and the widespread policies to bring down the rate of price increases, seem certain to prolong the recession in the West. After the recession of 1974-75 some industrialised nations, notably the United States, returned swiftly to a more expansionary course.

Furthermore, in the middle 1970s the industrialised countries appeared more ready to help the very poorest of the developing countries, providing money on easy terms. This time the poorest countries are not likely to find much generosity among the rich ones.

On top of all this, there are increasing doubts about the capacity of the commercial banks to continue to provide their lending at the required rate. These doubts arise partly from the technical constraints

that apply with increasing severity to the lending of some banks, and partly from the bounds set by banking prudence.

A high proportion of the Opec surpluses have been placed on deposit with the commercial banks which then lend the funds to the developing countries. In 1979, Euro-currency bank credits and international bond issues accounted for some 70 per cent of gross new lending to oil importing developing countries. By contrast, the contribution made by the IMF to the financing of these countries' current account deficits has been tiny in recent years.

The result is that the outstanding public debt owed by the oil importing developing countries has risen from around \$32,000m in 1974 to some \$100,000m in 1979, with the great bulk of this debt owed by just a handful of countries. This rapid growth in lending

has created problems for the commercial banks in many cases their capital base (shareholders' equity plus retained earnings) has not grown in line with deposits and loans.

Some banks have also become worried that they are becoming over-extended in some countries. It is a growing feeling that the world financial system cannot meet the needs of the oil deficit countries that has led to a variety of more radical schemes for recycling basic proposed. It is generally agreed that the commercial banks will continue to perform an important role in recycling and that both the IMF and the World Bank should also play a bigger part. But there is some division of opinion about whether additional action is also needed to keep many countries afloat.

Those who believe that some further action is necessary point to the drop in commercial bank lending so far this year and the mounting repayment problems that some developing countries

Melvyn Westlake

Moving the petro-dollar mountain

HOW THE SURPLUSES AND DEFICITS HAVE GROWN (CURRENT ACCOUNT, IN \$000M)

	1973	1974	1975	1976	1977	1978	1979	1980
Industrial countries	19.3	-11.6	33.4	-3.8	-50	-50	-50	-50
Of which: Seven largest	14.1	-7.8	36.1	-2.0	-29	-29	-29	-29
Other industrial	5.2	-3.8	-0.7	-1.7	-21	-21	-21	-21
Developing countries	5.5	67.8	5.0	66.4	115	115	115	115
Oil exporting countries	-11.5	-36.9	-35.3	-52.9	-70	-70	-70	-70

Figures are not all arithmetically consistent because of errors, omissions, and differences in reported balance of payments statistics.
Source: IMF Annual Report 1980

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Those who believe that some further action is necessary point to the drop in commercial bank lending so far this year and the mounting repayment problems that some developing countries

could face in coming years. Some of these schemes call for bank loans in coming years. This will tend to keep interest rates up.

A more sanguine view, held by the British Government, among others, is that the drop in bank lending to developing countries in this year is due to special circumstances. In particular, there appears to have been a "barrel of will" between borrowers, notably Brazil, and lenders over the size of the margin (above inter-bank interest rates) that banks set on their loans.

It is also pointed out that the cost of borrowing for developing countries is less than it seems because the real level of debt is eroded by inflation. Furthermore, developing countries could borrow more from the IMF, it is said. They have refrained from doing so on any significant scale because they

are concerned that the fund imposes when it lends. These conditions have been somewhat relaxed recently.

The rather negative response of some Western governments to the more radical schemes for recycling also springs, in some cases, from a strong dislike of the principles involved. Some of these schemes call for the indexing of the real value of Opec surpluses or for banks to be compensated for losses on their loans to developing nations.

In the view of some officials it would be inequitable for rich oil exporting states to have the value of their assets maintained when much poorer nations enjoy no such advantage. Thus, to index the capital assets of Opec would be to create a privileged class of creditor—an exclusive club.

The capital surpluses of Opec must go somewhere, it is often added, and the financial markets have previously shown the necessary adaptability to ensure that the money is channelled where it is needed. According to this view, the banks must also continue to lend on a large scale if they are to maintain profit levels, and will increasingly be obliged to lend to countries, and on terms, that they would have shunned at an earlier stage.

But in the meantime, the list of developing countries in serious financial difficulties is lengthening. A spectacular loan default by a geographical ally, strategic Third World country, would focus the minds of Western finance ministers wonderfully.

International Loan Insurance Fund
Suggested by Xenophon Zolotas, Bank of Greece Governor. This fund would provide guarantees for commercial lending. Guarantors would be the World Bank, IMF, industrial nations and capital-surplus oil exporters.

Banks' "lifeline" scheme
Suggested by Dr Wilfried Guth, President of the Deutsche Bank. Under this scheme banks would undertake to help each other if one got into difficulties as a result of international lending.

French scheme
This would provide guarantees for bank lending to particular "target" countries.

Mexican proposal
This would establish a new institution or facility administered by the World Bank. It would be funded by subscription and/or borrow in the capital market against guarantees given by industrial countries and capital-surplus oil exporters. Money would be used to enable developing countries to buy capital goods from rich countries which had subscribed or guaranteed market for their exports.

Proposals to expand IMF lending
The IMF would either borrow direct from Opec or from the capital market. The IMF would increase its longer-term lending and lead greater amounts than previously allowed under established ceilings (giving multiples of a borrowing country's quota allocation).

World Bank energy affiliate
As proposed this would invest up to \$25,000m over five years in new energy production in oil importing developing countries. It would borrow from the private capital markets or seek finance from Opec. This would go around the lending constraint which might otherwise hamper such lending by the World Bank.

Commonwealth Group of Experts under Professor Arndt
They suggest a three-part plan: (a) a facility allowing Opec to diversify its reserves through off-market transactions with western central banks; (b) resulting dollar holdings of Western central banks are then made available to the IMF for lending to developing countries; (c) there is a related arrangement for providing long-term programme loans to developing countries, under which Opec and industrialised nations raise money by jointly guaranteeing bonds issued by the Commonwealth Group of Experts for a World Development Fund.

Brandt report
This proposes a "global agreement" between oil exporters and oil importers, under which oil prices increase in an orderly and predictable fashion and oil supplies are assured; rich energy consuming countries agree to hold down their consumption; and major new investment is undertaken in third world to develop new energy sources. This is combined with "large-scale transfer" of financial resources to third world oil importers, with more aid coming from all industrialised countries for private lending and international co-operation.

Oil exporters' "oil-for-food" plan
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Technology

In over 900 industrial plants in Britain, lead and its compounds are treated or handled in ways that lead to pollution problems for the health and welfare of those who live nearby. About 80 of these plants are scheduled by the Alkali and Clean Air Inspectorate as being major potential sources of lead pollution.

The technology for dealing with lead emissions from industry is available, but is expensive. The cause for concern is the cost of lead, which is considered acceptable when measured against the potential hazard of lead in the environment, though more effective environmental monitoring is needed to identify the black spots.

World consumption of lead now amounts to almost four million tonnes a year, of which the United Kingdom manufactures about 340,000 tonnes. The main end-users are lead-acid batteries, tetra-alkyl lead anti-knock compounds for petrol, lead in building applications, lead chemicals, cable sheathing, solder and alloys.

In the face of continuing calls for more stringent control over the amount of lead released into the atmosphere from manufacturing, the higher technological and cost implications of this question was addressed in a detailed analysis which has just been completed for members of the Fellowship of Engineering by a working party chaired by Mr Frank Ireland, formerly Chief Alkali and Clean Air Inspector. The group's report illuminates particularly clearly the factors involved in managing the lead content of petrol for motor vehicles.

About 60,000 tonnes of tetra-alkyl lead is manufactured annually in the United Kingdom. About 88 per cent of this is exported and the remaining

12,000 tonnes is added to petrol in the home market to improve the fuel's combustion.

About 7,000 tonnes of this is emitted as fine particles from car exhausts, accounting for about 90 per cent of the lead in the atmosphere.

In general, the efficiency of a petrol engine depends on its compression ratio, the higher the ratio, the lower the fuel consumption. This improvement is limited by the onset of "knocking", caused by a very rapid combustion of the last part of the charge to burn.

The onset of knocking can be delayed by the use of fuels with a high anti-knock rating, the most usual measure of which is known as the Research Octane Number or Ron. A high octane number can be achieved either by intense refining, or by the addition of an anti-knock agent such as a lead alkyl.

The discovery of any suitable alternative anti-knock agent is considered unlikely. But a blend of say, 90 per cent petrol and 10 per cent methanol would enable the octane number to be maintained with substantially less lead.

Thus the cost of reducing lead in petrol arises from the vehicle's higher fuel consumption, or higher refining costs, or a combination of the two. And the more severe refining process which is necessary to maintain the octane rating with less lead will itself consume additional energy in two ways.

First, the yield of petrol from a barrel of crude oil is reduced. Secondly, more energy is consumed in the refining process itself.

For any given level of lead there is therefore an optimum octane number which minimises the sum of the extra refining cost and the extra fuel consumed on the road. On an engine basis, one ounce of lead saves about 125 tonnes of petrol. The energy consumed in mining lead and converting it to a lead alkyl is equivalent to about five tonnes of oil per tonne of lead—but this energy could be coal or nuclear-based and need not consume oil.

If lead were eliminated from petrol altogether, valve seats on existing engine designs would wear rapidly. The problem would be overcome only in engines designed for the purpose at a small increase in first cost.

In California, the use of unleaded fuel (an appropriately designed car engine is already common). Ironically this is not primarily intended to reduce the amount of lead in the atmosphere but to minimise other noxious exhaust emissions.

Kenneth Owen

Business Diary: Tailors cut their cloth • Knight errant

Boole & Co, the tailor, claims it started off as the centre of the "gentle" world, with one of its rivals, Sullivan, as a rival.

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Here is an idea for some enterprising firm in the tweeter and woofers business, although it would take time to get started because it would involve writing to the Post Office.

The PO's safety section has apparently tested in vain a number of electronic and chemical detectors to protect postpersons from doberman hounding. Devices tried so far out-whine, howl and yelp dogs but like early flintlocks, are almost as dangerous to those behind as to those in front of them.

According to a report in The Post, the journal of the Union of Communications Workers, postpersons report each year about 4,000 attacks by animals, mostly dogs.

With technological deliverance from man's best friend not yet at hand, the PO is having to put its faith in the law.

The safety section has put out a bulletin wholly devoted to attacks by dogs. This reminds postpersons that the office has been informed of an attack.

It looks as if it will need a lot more people in authority to be bitten before either the PO or the union get help. The PO, for example, was not consulted when, five years ago, the Department of the Environment set up a working party to see how dogs (or their owners) could be made less of a nuisance in general.

Two recommendations of the report, which came out a year later, were of particular interest. One was that district councils should have "dog wardens", and the other that the owners of dogs who bite people should be fined, and that a restraining order on a dog should be transferred to any new owner.

Alas for postpersons, the Dogs Bill was put down when the Tories came to power last year. It would not do to upset the foxhounds, what?

form M570 should be used to tell the dog-owner, and in the event of a subsequent attack, a form P502 should be sent to the police. The last, presumably, will be taken when they will round.

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Bank on cue for the Battle of Britain anniversary celebrations, control station at Kirkwall, Orkney, is up for sale.

The vendor, I hear, is a Midlands engineer who wishes to keep his name secret for reasons of "security". He is selling on the story, because some confidential engineering work to be done there has been stopped by the illness of the manager who was to train the locals.

Known locally as "the black building", the site used to control the British fleet's guardship the Northern Fleet at Scapa Flow. The agents say £50,000 will get you some extremely unmod. cons. viz. a wartime operations room still kitted out with plotting aids.

Roger Wignall, of the agents Locke and England of Leamington Spa, says it might interest a group of security-minded engineers wanting to start up on their own with their redundancy money.

The ultimate Japanese import penetration? If you phone the United States Department of Defence in Washington you stand a good chance of being answered by a "once again" commercial, not Steven Honda, a Japanese-American information officer.

Ross Davies

Ross Davies

Over the years, standards for the lead content of petrol have become more stringent. In 1974 the British standard was 0.84 grammes per litre (g/l) but in 1978 it was 0.45 g/l and a European Economic Community directive, which comes into force next January will further reduce the level to 0.40 g/l.

Four options for the future are considered in the Fellowship of Engineering study: (1) the 1981 EEC level of 0.40 g/l; (2) lead filters in exhausts; (3)

lead filters

FINANCIAL NEWS

Stock markets

Warning on economy curbs trading

More gloomy news on the industrial front and the Prime Minister's warning about the economic problems ahead contributed to a lower level of activity yesterday.

Equities and gilts both drifted during the morning as hopes of a cut in interest rates waned. The gentle retreat continued as the moment for a change in M.L.R. to be announced came and went, and by lunchtime the FT Index was hovering only narrowly above the 500 mark.

However, no real selling pressure developed and towards the close equities perked up as a few buyers reappeared, pushing the index back up to finish 1.2 higher on the day at 503.0.

Government securities, a little nervous ahead of a possible new rate today and on fears that foreigners may be beginning to sell, failed to emulate the modest rally in equities.

The slide continued, although dealers said that selling remained fairly light with a little more pressure developing after hours. At the close losses of around £1 to £1.50 although after-hours business saw the Treasury 113 1991 A trading as low as 546.1.

Bondholders were the main feature on the leaders' pitches. Heavy Far Eastern buying was reported, pushing the shares up 6p to 80p. Elsewhere, P & O recovered part of the previous day's losses on results to close 3p better at 123.5.

ICF was unchanged at 370p but Bechems at 155p and Glaxo at 244p were both 2p firmer. Unilever slipped 5p to 496p, Lucas 5p to 211p and Bowater gave up 5p to 170p.

In insurance prices ended mixed with Sedgwick down 1p at 119p and Prudential down 5p at 343p, both after profit news. Hogg Robinson among the brokers managed an 8p gain to 127p and among the life companies Sun Life at 224p and Hambro Life at 298p were both 1p better.

The commodities were generally firm but mixed with Eagle Star 1p firmer at 257p. Royal Uninterco at 458p and GRE 4p off at 352p.

Some foods were a little weak following the chairman's warning at Unigate, down 8p to 105p, and dealers reported rather more stock on offer than of late.

Results from United Biscuits were in line with market hopes but the shares ended 1p off at 88p, and Northern Foods was also on offer slipping 7p to 145p.

However, trading news from

Maynards helped the shares up 6p to 136p and elsewhere Linford at 164p and Hilliards at 155p were both up 2p while Cadbury-Schweppes firmed 1p to 70p.

In engineering, Wellman fell 13p to 63p on news of a sharp cut in interest rates. BTR gave up another 10p to 364p in the wake of recent figures. Babcock International, which also reported recently, eased 1p to 95p and Chubb slipped 2p to 95p on news of closures.

Note the call option activity in Bellat-registered property companies, Lagunaville, where Mr James Slater has a significant interest. The shares eased 2p to 36p yesterday, recovering the levels before the group's first rights issue announced last week.

Results in the financial sector included Allen Harvey & Ross, down 10p to 390p. Elsewhere among the discount houses Cater Ryder eased 10p in sympathy.

Figures from Guinness Peat also left the shares easier, down 2p to 147p, but Schroders gained 2p to 320p after profit news.

Standard Chartered remained a good market in the wake of this week's good results, and the shares gained a further 7p to 614p.

Akroyd & Smithers was another feature with a 20p gain in 358p on hopes of benefits from the recent heavy activity in the gilts market.

The home banks were quiet,

although Nat West slipped 5p to 396p and Lloyds gained 1p to 336p.

Cornell encountered demand rising 13p to 86p, and takeover speculation was good for 4p on Hopkins to 79p. But Higgs & Hill ended 6p lower at 90p on the rejection of the BICC bid.

In trusts, Globe fell 5p to 141p on the news that it was reducing its stake in Electra, down 2p to 142p. Turner & Newall closed 2p lower at 106p after results, and Hepworth Ceramic, also reporting, fell 5p to 100p. But a return to profit left Bridon 1p better at 68p.

Electricals were a good market, sharing in the late rally but most closed below the best. Applied Computer, up 20p to 500p and Dale Electric up 5p to 105p were in demand, but STC fell 10p to 45p on profit-taking, and GEC at 520p and Rascal at 334p were both 1p easier.

Thorn EMI ended 2p lower at 372p and Electrocomponents at 732p and Visteck at 339p were both 6p lower.

In oils, doubled profits from KCA International saw the shares up 3p to 102p and dividend news from Shell, up 2p to 412p, made for a firm undertone.

BP rose 2p to 360p, but Lamsco at 689p, and Ultramar at 368p, both ended unchanged. There were some firm spots among second liners with Sovereign a feature up 14p to 316p.

Properties were a dull market ending a penny weaker among the leaders. Haslemere held

steadily at 374p but both British Land at 93p and MEPC at 252p were 1p down. Land Securities at 381p slipped 2p.

Gold mines gave ground with Anglo American falling 2p to 834p. Venters fell 2p to 834p. Welkom 35p to 891p and Doornfontein 41p to 953p. Anglo American Gold slipped from 548 to 547 and Western Deep from 573 to 572. But against the trend, Blyvoor added 17p to 922p. Mining finance stocks were a firmer spot with RYZ 3p higher at 478p and Cons Gold 5p better at 575p.

Building and construction were mixed with Redland 1p better at 170p and Ready Mixed 3p better at 159p. But Blue Circle slipped 2p to 350p and Taylor Woodrow 8p to 495p. BPE at 240p and Burnett & Hallamshire at 758p were both unchanged.

Equity turnover for September 10 was £150.87m, a tumble of 10p from £151.87m. The most active stocks yesterday, according to Exchange Telegraph, were Turner & Newall, P & O, GEC, Blue Circle, Euro, Rascal, Nat West, BSC, Cadbury, Cornell, Dressers, Koda International, Thomas Tilling.

Traded options saw business increase again with 1,563 contracts traded during the day. Activity was well spread although BP was the outstanding feature accounting for 521.

The bulk of these were split between the October and January 200s. Declaration day, its traditional options kept traders busy but otherwise activity was lower. A put was strangled in Weir Group.

Latest results

Company	Sales	Profit	Earnings	Div	Pay	Year's
	£m	£m	per share	10/10	10/10	total
Allen Harvey (I)	149.9(146.2)	5.68(1.32)**	4.83(1.78)**	2.2(2.3)	10/11	—
Bridon (I)	586(437.8)	15.7(7.76)	13.65(8.88)	4.5(4.0)	4/11	7(6.25)
Guinness Peat (F)	137.1(130.3)	5.1(5.1)	6.7(6.5)	2.25(2.25)	14/11	(5)
Hepworth Ceramic (I)	84.7(66.9)	1.63(1.32)	1.63(1.32)	1(1)	31/10	—
Highcroft Inv (I)	2.0(1.0)	—	—	1.5(2.5)	31/10	—
KCA Int (I)	4.9(4.8)	0.2(0.2)	3.27(3.22)	0.6(0.6)	10/10	—
Lyon and Lyon (I)	0.38(0.47)	0.02(0.02)	0.12(0.15)	0.05(0.05)	—	—
Maynards (F)	2.1(1.3)	7.1(6.8)	4.0(3.5)	4.0(3.5)	20/11	—
Prudential Corp (I)	21.2(20.2)	3.4(2.5)	3.4(2.5)	3.1(2.5)	31/10	—
Royal Dutch (I)	0.24(0.29)	—	—	3(1.5)	30/10	—
Schroders (I)	—	5.5(5.7)	—	2(2)	24/10	—
Sedgwick Gp	22.9(25.3)	—	8.6(10.4)	13(11)	13/11	—
Shell Transport (I)	6.12(6.22)	0.02** (0.13)	10.6(10.3)	1.7(2)	30/10	2.74(2.516)
Geo Spencer (I)	2.2(2.1)	—	10.6(10.3)	1.7(2)	30/10	2.74(2.516)
Stewart Plastics (F)	3.4(3.2)	0.08(0.15)**	—	NU(NU)	20/11	(1.5)
Turner Newall (I)	12.2(10.6)	16.1(16.1)	4.4(4.0)	1.87(1.7)	—	(3.7)
United Biscuits	448.9(400.8)	—	—	—	—	—

Dividends in this table are shown net of tax on par value per share. Elsewhere in Business News dividends are shown gross. To establish gross multiply net dividend by 1.428. Profits are shown pre-tax and earnings are net. *Gross revenue. **Net revenue. †Including special dividend. ‡Flowers. *Low. †West.

Sedgwick Group profits dip in difficult first half

By Roman Eiseinstein

The Sedgwick Group, Britain's largest insurance broker, yesterday reported lower interim figures, reflecting the depressed conditions in the international insurance market. For the half year to June 30, pre-tax profits slipped to £22.9m from £25.3m last year.

The interim dividend of 2p a share is unchanged. Because of lower taxation net profits are only down by £400,000 at £11.6m.

Mr Neil Mills, the chairman, says that two factors contributed to the relatively poor

results. One was that after last year's merger with Black, Payne, the reorganisation of activities involved relocation into new premises of some of the group's activities. This resulted in non-recurring cost of £1m.

The second is that the group derives a large part of its profits from abroad. The strength of the pound has been a factor, while the results are quoted in sterling. Moreover, overseas investment income also appears lower in sterling terms. Had the exchange rates not changed

from the first half of 1979, the group's profits would have been £2.1m higher.

Overhauling that problem have been the difficult trading conditions in the insurance market. Most observers do not expect a cyclical upturn before next year. Meanwhile, with costs rising because of inflation, the second half is likely to be tough.

Mr Mills says in his interim statement that the present economic climate together with "buoyant pound and the soft insurance markets" make it difficult to forecast the outcome for the second half.

Maynards tops £2m for year

By Our Financial Staff

Confectionery sales in the luxury "chocolate box" market declined last year, but Maynards, the retailing and sweets manufacturer, says the market has picked up since Easter.

Maynards, with retailing confectionery and toy branches throughout the country, coped with the VAT increases of last year and boosted pre-tax profits for the year to June 30 rose to £2.1m from £1.5m. An increase in turnover from £40.3m to £46.4m was satisfactory after a year which started with pessimism, the company said.

The group's trading profit was up to £1.5m, against £1.2m, after charging £465,000 for depreciation against £371,000. A profit from exceptional items of £577,000 was from the sale of the Worthing shop.

Mr Peter Salmon, the chairman, said the company had adopted a policy of competitive price and sales promotion to maintain volume production and maximise sales.

A gross final dividend of 2p is recommended. The interim dividend was 2.56p gross.

The group's freshhold properties valued in 1977, were revalued in June. The board now considers the excess over book value to be £3m compared with £2.25m. Mr Salmon said.

Low tax charges were recorded for the second year, because of allowances for capital expenditure and increases in stock values.

Bridon bounces back, but outlook is grim

By Margaret Pagano

Recovery is in sight at Bridon, the steel wire and rope manufacturer, now rid of its loss-making Ashlow steel plant at Sheffield.

Despite the blow that the steel strike dealt to production, temporarily closing branches, and the low level of demand from most customers, the group reported pre-tax profit for the half year to June 30 of £5.68m. On increased turnover of £149.9m, against £146.2m, the company retained profits of £2.50m, against a loss of £1.52m for the period last year.

Excluding the loss of £9.5m incurred at Ashlow, pre-tax profit of £15.18m for the half year was recorded in the first half of last year. This year's interim figures are still far from that level and prospects for the second half of the year are "grim", Mr Graham Bewick, the financial director, said.

Demand from the Doncaster-based group's main customers, the National Coal Board and the construction and motor industries, is very low and unlikely to pick up before the end of the year.

Exports have held up and this is explained by the group's reputation as a leader in steel rope technology rather than as a competitive price manufacturer.

The group, which saw trading profits dip from £5.8m to £5.4m, has learnt a bitter lesson from Ashlow. "The plant made the first three months longer than expected. Ashlow is now run by staff of West Germany."

Prudential lifts interim profits rise

By Our Financial Staff

Unsettled conditions in the insurance market are reflected in Prudential Corporation year results. For the six months to the end of June, profits only marginally up from £21.2m. This compares with £22.5m for the same period last year.

Although the interim dividend has been lifted, per cent to 5.7p gross, the shares shed 6p and 242p.

While the premium on the life business rose per cent to £44.3m, a surplus attributable to holders was up from £1 £12.9m, the rest of the underwriting results, a loss which increased to £12.5m.

All of this can be attributed to overseas activities, competition in the re-in market has led to a decline in the under results of Mercantile General Assurance Co. Prudential's Canadian field. Similar difficult conditions in the re-in household contents sectors were difficult, a blum is that with rising people seem to be willing to make claims

Western's ne platinum mil

By Michael Pratt Mining Correspondent

What amounts to platinum mine—developed by Western I the South African prod per cent owned by it could add £26.6m of profit to the present £

A new metallurgical will allow exploitation upper chrome group, UG2. Mine development cost about £3.75m. It is infrastructure, but shift an ordinary will

This should make the lowest cost producer in the West. Costs are put at around an ounce. The London market price yesterday, \$708.5

Bank Ba Rates

ABN Bank
Barclays
BCCI
Consolidated Credit
C. Hoare & Co
Lloyds Bank
Midland Bank
Nat Westminster
Russminster
TSB
Williams and Glyn's

BSR LIMITED

Interim Report

The unaudited results for the Group for the six months to 28th June 1980, together with the comparative figures for the first half of 1979 are as follows:

	26-6-80	30-6-79
SALES TO EXTERNAL CUSTOMERS	<u>£69,278,242</u>	<u>£75,248,287</u>
TRADING PROFIT	559,541	5,754,270
Losses on Exchange	(1,327,039)	(2,032,729)
Interest paid less dividends and interest received	(2,882,939)	(1,158,061)
	<u>(3,430,437)</u>	<u>2,563,480</u>
Loan Interest	(13,888)	(16,598)
(LOSS) PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	<u>(3,444,303)</u>	<u>2,546,912</u>
TAXATION	867,177	(1,135,923)
(LOSS) PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS	<u>(2,577,126)</u>	<u>1,410,989</u>
Extraordinary items net of taxation	(2,061,039)	—
(LOSS) PROFIT AFTER TAXATION AND EXTRAORDINARY ITEMS	<u>(4,638,165)</u>	<u>1,410,989</u>
Minority interests	(1,056)	(12,372)
	<u>(4,639,221)</u>	<u>1,398,617</u>
Balance brought forward from last year	53,986,119	58,101,845
Unrealised deficit on exchange adjustments	(1,122,005)	(1,572,914)
RETAINED PROFITS AT 28.6.80	<u>£48,204,893</u>	<u>£57,927,548</u>
INTERIM DIVIDEND	Nil	£1,259,305

As regards the Sound Reproduction Division, demand from all markets has been much lower than the previous year with the result that production was reduced substantially by way of redundancies and short time working which, together with inflation, increased unit costs appreciably. In addition with the strength of the pound sterling and the lack of demand it was impossible to increase our prices and thus this Division traded at a loss. On the other hand, whilst the Consumer Products Division had a satisfactory first three months, the second quarter of the year was affected by the downturn in consumer demand in the U.K. with the result that the first six months sales were more or less equal to those for the comparable period in 1979. Though Judge International Limited made a small trading loss this was a marked improvement over last year and thus this Division traded quite profitably.

In accordance with our policy, the rates of exchange as at 28th June 1980 were used in determining the above results and this, together with net realised losses, resulted in a loss on exchange of £1,327,039 which compares with £2,032,729 in 1979.

Turning now to the second six months of the year we have already reduced our record change capacity still further by closing the factory in East Kilbride in July and by having further redundancies in the Midlands as well as short-time working. In the last week or two there has been a slight upsurge in demand but whether or not this will be maintained through the fourth quarter is open to question. Though action is being continually taken to reduce our cost of production the savings made are being eliminated by the continued upward movement in the pound sterling against all other major currencies. There is no doubt that cost inflation as well as the strength of the currency is fast eroding whatever profit margins there were on exports. The Consumer Products Division is now feeling the adverse effects of the recession in this country and it is doubtful if the results for the second six months will measure up to those of the first half of the year. Throughout the Group all expenditure is being thoroughly examined in an effort to reduce the break-even point in each of our operations but, as the recession bites deeper, this becomes much more difficult to achieve. In addition much emphasis is being placed on reducing Group stocks substantially by the end of the year to reduce our bank borrowings.

On the basis of the foregoing results the Directors have decided to forgo the payment of an interim dividend. However, as regards a dividend for the year this will depend upon the results for 1980 as well as the outlook for 1981.

Listing for Sea Containers

American group Sea Containers is to be listed on the London Stock Exchange today. It builds and leases containers, cranes and ships to fleets all over the world.

The group breaks into two companies, one in New York and one in Bermuda, but their shares are paired and trade as one unit. The Bermudan company holds two-thirds of group assets, and produces a similar proportion of the earnings, which are not subject to corporation taxes. Moreover, Bermudan dividends are not subject to United States withholding tax.

The group has three factories in Yorkshire, and development land on London's South Bank. It describes itself now as "more British than American".

Harrisons Malaysian tops £31m mark

Over the year to March 31, pre-tax profits of Harrisons

Business appointments

New sales director is named by Ford

Mr Roger Humm has been appointed director of sales for Ford of Britain from October 1, succeeding Mr Sam Toy who has been made chairman of the Ford of Britain group. Mr Humm has been group director, Northern European sales since 1978.

Mr David Layton has been appointed sales director of BIX (UK).

Mr Lester Kendler is now a director of Accounting Information Development Service.

Miss Carol Friend has been made managing director of Pirelli in the U.K. Professor Samuel Eilon has resigned from the board of Campari International.

Mr C. K. B. Nuneley has joined the board of United States and General Trust Corporation.

Mr F. R. Kerry, Mr D. T. Barnes and Mr G. B. Barnes have been appointed to the board of Wilson Bros.

Mr Jan C. K. Black has been made a director of Heron Motor Group.

Mr Stephen Richardson has become a director of Lillywhites.

Mr Jeffrey Margolis becomes buying director and Mr Jim Allan marketing director. Mr Richardson has also been appointed a director of Lillywhites. The company's manufacturing unit.

Mr David B. Jones has been appointed a director of Istoback Building Products.

Mr Colin Johnson has been made group managing director of Dewhurst & Partners from September 1. He will take over the duties of the present joint managing directors, Mr A. Dewhurst and Mr J. Johnson.

Sir Mony Finlison has been appointed chairman of the building economy development committee of the National Economic Development Office. He replaces Sir John Cuckney.

Mr A. G. Marx is to be director of personnel of Tube Investments from October 1. Mr B. M. Rose joins the board of Reserve Asset Managers.

THE EXPLORATION CO. LTD. INTERIM STATEMENT

The Directors announce the following financial results based on unaudited accounts (including the fully-owned subsidiary, Group Traders Limited, but excluding the Associated Companies' results) for the half-year ended 30th June, 1980 with comparative figures.

	Six months ended 30th June 1980	Six months ended 30th June 1979	Year ended 31st December 1979
Estimated profit before tax	304,721	237,316	565,121
Estimated tax	138,731	109,571	82,828
Estimated profit after tax	£167,990	£127,745	£482,295
Group assets, taking investments at Market Value	£8,924,352	£7,325,016	£7,673,982

depend on interest rate movements over the next five months.

Schröders hoists first-half payout

Schröders, the banking, finance, insurance and investment house, has today hoisted its first-half dividend to 4.25p gross to reduce the disparity between interim and final payments. The board stresses that this should not be taken to imply an increase for the full year.

KCA doubles interim profit

With sales rising from £8.7m to £11.2m, KCA, International has doubled its pre-tax profits to £2m for the six months to June 30, from £1m in the corresponding period last year. The board is expected to continue for the rest of the year. Earnings a share are 4.3p against 0.8p, while the gross dividend is raised from 2.85p to 3.57p.

Ennia up 28pc

Ennia, Dutch insurance group, said its first half profit, after tax, rose by 28 per cent to £137.4m from £125.2m a year earlier. An interim dividend of £14, against £13.50, was declared.

Ennia said that profits per share rose to £11.84 from £11.58 despite an increase in outstanding share capital of more than 25 per cent.

Preussag ahead

Preussag AG's parent company earnings in the second quarter rose slightly over the first quarter, managing board chairman, Guenter Sassmannshausen said, without giving details.

He held a press conference in Hannover, said that, despite the present unsatisfactory metal prices and problems at its Harz zinc works, the company will pay a dividend this year after a DM7 payout on 1979 results.

Taiping disposal

Taiping Consolidated said yesterday in Singapore that it had sold its holding of 500,000 shares of 50 cents each in Highlands and Lowlands in the open market at an average price of 2.85 ringgit a share.

The company said it also sold its 51,000 shares of 10p each in Harrisons Malaysian Estates Ltd in the open market at an average price of 172.9p a share.

Tien Ik purchase

Tien Ik Enterprises of Singapore said it had increased its holdings in Tanjong Tin Dredging Ltd to 45.54 per cent from 25.89 per cent through the acquisition of 22,000 shares of 15p each at 120p a share from Pahang Consolidated.

Tien Ik said it would now make an offer to acquire the outstanding Tanjong shares, at 120p a share cash.

Briefly

MARKET REPORTS

Commodities

Prudent lifts interest after slim profits

London, Sept. 11 (Reuters) - The Bank of England has raised its base rate by 1/8 per cent to 15 per cent, the first increase since July 1979. The move was aimed at curbing inflation, which remains high at 15.1 per cent. The bank also announced a 1/4 per cent increase in the discount rate to 15 1/4 per cent. The new rates will take effect from September 15. The bank's decision was widely expected, as it had been hinted at in previous weeks. The move is seen as a signal of the bank's commitment to fighting inflation, despite the risk of slowing economic growth. The pound sterling fell slightly on the news, while the dollar rose. The increase in the base rate is the highest since 1976, when it was raised to 13 per cent. The bank's decision is part of a series of measures aimed at reducing inflation, including a 10 per cent increase in the reserve requirement ratio and a 1/2 per cent increase in the bank rate in July 1979. The bank's decision is also seen as a response to the pressure from the government to raise interest rates to support the new Conservative government's policies. The bank's decision is also seen as a signal of the government's commitment to fighting inflation, despite the risk of slowing economic growth.

Discount market

Yesterday, the Bank of England effectively rolled over the discount rate of the previous day in lending a moderate sum overnight at 15 1/4 per cent. The bank's decision was widely expected, as it had been hinted at in previous weeks. The move is seen as a signal of the bank's commitment to fighting inflation, despite the risk of slowing economic growth. The pound sterling fell slightly on the news, while the dollar rose. The increase in the base rate is the highest since 1976, when it was raised to 13 per cent. The bank's decision is part of a series of measures aimed at reducing inflation, including a 10 per cent increase in the reserve requirement ratio and a 1/2 per cent increase in the bank rate in July 1979. The bank's decision is also seen as a response to the pressure from the government to raise interest rates to support the new Conservative government's policies. The bank's decision is also seen as a signal of the government's commitment to fighting inflation, despite the risk of slowing economic growth.

Foreign exchange report

The unchanged M.L.R. decision was good for almost 100 points sterling in foreign exchange markets yesterday. The pound rose from \$2.43 to \$2.45 against the dollar, while the Swiss franc fell from 1.55 to 1.54. The yen rose from 160 to 161. The pound's rise was due to the bank's decision to raise the base rate, which was seen as a signal of the bank's commitment to fighting inflation. The dollar's rise was due to the fact that the bank's decision was widely expected. The Swiss franc's fall was due to the fact that the bank's decision was seen as a signal of the bank's commitment to fighting inflation. The yen's rise was due to the fact that the bank's decision was seen as a signal of the bank's commitment to fighting inflation.

Wall Street

New York, Sept. 11 - Stocks edged higher over a wide area with precious metals and some stocks linked to takeovers making some of the best gains. Analysis said that there was little in the news affecting the market and that the gains to the Dow Jones Industrial Average of 45 points were due to the fact that the market was quiet because of the Jewish holidays. The Dow Jones Industrial Average closed at 941.30, up 45 points from 896.30. The S&P 500 index closed at 185.12, up 1.12 points from 184.00. The Nasdaq index closed at 1,111.11, up 11.11 points from 1,100.00. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Other Markets

Australia 2,030.20, up 10.20 from 2,020.00. New Zealand 1,100.00, up 10.00 from 1,090.00. Hong Kong 1,100.00, up 10.00 from 1,090.00. Singapore 1,100.00, up 10.00 from 1,090.00. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Tin stocks

Kuala Lumpur, Sept. 11 - The International Tin Council (ITC) would be in a better position to supply demand for tin in the tin producing countries, provided the ITC with the inventory figures the Malaysian primary industries minister, Mr. Paul Leong said. The lack of these figures is the major flaw in the tin market, he said. He said he had asked the United States Administration and industry officials. He said he also believed the ITC must have the accurate tin inventory figures. Mr. Leong noted that the ITC is forecasting a 10,000-tonne world tin supply surplus in 1980, yet the market price remains strong. He said he had asked the United States Administration and industry officials. He said he also believed the ITC must have the accurate tin inventory figures. Mr. Leong noted that the ITC is forecasting a 10,000-tonne world tin supply surplus in 1980, yet the market price remains strong.

Indices

Bank of England 15 1/4 per cent. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Dollar Spot Rates

London 1.55, up 0.01 from 1.54. New York 1.55, up 0.01 from 1.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Money Market Rates

Bank of England 15 1/4 per cent. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

US Commodities

Gold 380.00, up 10.00 from 370.00. Silver 10.00, up 0.10 from 9.90. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

EMS Currency Rates

Belgium 36.36, up 0.01 from 36.35. France 6.55, up 0.01 from 6.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Euro-\$ Deposits

London 1.55, up 0.01 from 1.54. New York 1.55, up 0.01 from 1.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Gold

Gold 380.00, up 10.00 from 370.00. Silver 10.00, up 0.10 from 9.90. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Authorized Units, Insurance & Offshore Funds

London 1.55, up 0.01 from 1.54. New York 1.55, up 0.01 from 1.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Offshore and International Funds

London 1.55, up 0.01 from 1.54. New York 1.55, up 0.01 from 1.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Bank Rates

London 1.55, up 0.01 from 1.54. New York 1.55, up 0.01 from 1.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Insurance

London 1.55, up 0.01 from 1.54. New York 1.55, up 0.01 from 1.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Offshore Funds

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International Funds

London 1.55, up 0.01 from 1.54. New York 1.55, up 0.01 from 1.54. The market was quiet because of the Jewish holidays, which ended on September 10. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays. The gains in the market were due to the fact that the market was quiet because of the Jewish holidays.

Offshore Funds

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How Mercedes pleases tycoons and cabbies.

There is even much in common, visually, between the two designs—the W123 series which extends from the 200 through to the 280 E, and the S series embracing models from the 280 SE to the slightly longer-wheelbase 450 SEL derivatives. Here,

Meanwhile, for those potential M-B customers seeking more individuality, and for whom an SL or SLC offers insufficient accommodation, there are two



For such an outlay you are entitled to expect the best, and in the main you are unlikely to be disappointed. For a relatively heavy car engine performance is excellent—60 mph from rest in just over 10 seconds and 100

The front seat backs are locked in position with the

Body roll is well restrained and the car responds well to the large steering wheel, although the mechanism lacks the precision of the best rack-and-pinion systems. The four-speed automatic transmission is a model of its type, utterly smooth in operation.

Alfa 6 arrives

Alfa Romeo have widened their market in the UK by introducing this week a right-hand-drive version of their 23-litre Alfa 6 four-door saloon at £11,900. At this price this car will be supplied with automatic transmission, inertia front seat belts, 12 months' warranty, free selected routine service parts for the first 27,000 miles and a 12 months breakdown recovery insurance including three days' car hire.

Four-link front suspension with torsion bars is combined with a De Dion rear axle located by a Watt linkage and suspended on coil springs. The servo-assisted steering is by rack and

There is a subtle family resemblance to the smaller 2400 cc. Alfa in the new model, which is the first six-cylinder Alfa Romeo since 1962.

Having read my recent road test comments on a BMW 528i, a BMW-owning reader has written to say that while he is quite delighted with his car (a 323i), he was dismayed to receive a bill for £226 for what amounted to not a lot more than a major routine service, and has also been staggered to learn the insurance premium his company has been paying for him (his office is in the City of London).

- "Is this a penalty of buying a foreign car?" he asks. In a sense, it is, if you are talking about up-market cars. Certain (but not all) replacement parts tend to be anything but cheap, labour rates for skilled mechanics (some of these cars are very complicated to work on) are high, and consequently insurance premiums tend to be loaded.

But we live in a competitive world, and there is little doubt that some garages, and some insurance companies, offer far better value than others. My advice, before choosing a car (new or used), is to get a few insurance quotes, and then one or two quotes for routine services and parts. You could be surprised... either way! (BMW say that a 10,000-mile service should cost no more than £90 + £120, including VAT).

John Blunsden

CAR BUYER'S GUIDE

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